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March 24, 2009

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, D.C. 20549

SUBJECT: Proposed Rule Change to NYSE Rule 452, File No. SR-NYSE-2006-92

Dear Ms. Murphy:

On behalf of OTC Corporate Transfer Service, I am writing to comment on the proposal by the New York Stock Exchange to eliminate broker discretionary voting in the election of directors by amending NYSE Rule 452.

Broker discretionary voting is just one issue of many in the integrated and overly complicated proxy voting and communications system. The SEC should not take action on any changes to Rule 452 without also analyzing needed reforms in the other components of this outdated system. In any event, the Commission should extend the comment period beyond March 27, 2009, to give interested parties an opportunity to comment, and give itself sufficient time to address these issues in a more comprehensive manner.

The NYSE Proxy Working Group and other entities have identified a number of important issues in the current proxy system that need to be addressed. These issues include:

- Antiquated SEC rules that prevent issuers from knowing who their shareholders are and engaging in direct communications with them;
- A costly and inefficient proxy processing system that is controlled by broker-dealer firms, forcing issuers to deal with a single service provider not of their choosing and pay fees established by others;
- Share lending practices and the use of financial derivatives that may be used to manipulate proxy voting;
- Over-voting and under-voting problems that are threatening the integrity of the shareholder voting process; and

- Unregulated and unsupervised proxy advisory services which have significant influence over the institutional investor vote.

At a time when retail investors are losing faith in the capital markets, the Commission should be looking for opportunities to restore investor trust by reforming the proxy system. Artificial barriers between public companies and their retail investors should be eliminated and replaced with a system that encourages investor dialogue and communication. Unless the proxy system is modernized, singular regulatory actions by the Commission—such as the proposed change to Rule 452—run the risk of further disenfranchising large numbers of individual shareholders.

For these reasons, OTC Corporate Transfer Service urges the SEC to undertake a comprehensive review of the proxy processing system and refrain from adopting piecemeal changes to a system that involves so many integrated elements.

Sincerely,

Toni Zaks
President