



National Investor Relations Institute

8020 Towers Crescent Drive, Suite 250, Vienna, VA 22182
(703) 506-3570 FAX (703) 506-3571
Web site: www.niri.org

March 16, 2009

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F St, NE
Washington, DC 20549-0609

Re: SR-NYSE-2006-92
NYSE Rule 452 Amendment

Dear Ms. Murphy;

This letter is submitted on behalf of the National Investor Relations Institute (NIRI). NIRI is the professional association of corporate officers and investor relations consultants responsible for communications among corporate management, shareholders, securities analysts and other financial community constituents. Founded in 1969, NIRI is the largest professional investor relations association in the world with more than 4,000 members representing 2,000 publicly held companies and approximately \$5.4 trillion in stock market capitalization.

NIRI is pleased to have the opportunity to comment on the proposed amendment to NYSE Rule 452 that would make the election of directors a “non-routine” matter. Shareholder voting for directors is a critical part of good corporate governance. However, NIRI does not believe in piecemeal changes to an antiquated, complicated and costly proxy system, and therefore does not support the proposed change to Rule 452. NIRI urges the SEC to reject this amendment and immediately undertake a comprehensive review of the proxy system that will result in a system that identifies those who have voting rights, improves communication to shareholders, takes advantage of technology to contain costs and improve the process of attaining a quorum, encourages participation of all investor types, and minimizes voting discrepancies.

Any single change, like the implementation of this proposed Rule 452 amendment, without other changes to the proxy system may have unintended and devastating consequences. Some of these consequences include the potential for increased costs to public companies to ensure a quorum is achieved, an increased influence of proxy advisory firms through their voting recommendations, additional power in the hands of the few shareholders who vote, and a magnification of the shareholder communications limitations associated with objecting beneficial owners (OBO) who may be unsure of the meaning of this status and are unable to receive direct corporate communications. NIRI urges the Commission to reject this amendment.

Proxy Voting System

NIRI believes the existing proxy voting system, in which more than 75% of all public shares are held in “street” name, is complex and involves a number of intermediaries that create unnecessary communication barriers between issuers and their shareholders. This system needs to be thoroughly evaluated and updated to ensure an easy and cost efficient process for issuers to identify and communicate directly with all shareholders whether they may be individuals or institutions, registered or beneficial. NIRI believes that a system of full and frequent ownership disclosure of long, short and derivative positions by all types of investors is necessary. Such a system of improved disclosure will reduce costs by removing communication barriers between companies and shareholders, as well as help to eliminate the over-voting and under-voting discrepancies experienced in the current system. For example, securities lending programs can create situations that lead to discrepancies in the number of votes cast, causing the proxy process to lose its integrity.

Communications

NIRI believes that efficient, affordable communications with all owners by issuers is key to ensuring investors can make informed voting decisions. The current process for street side communication is costly, technologically outdated, and an impediment to good shareholder communications.

Cost

NIRI believes that an unintended consequence of this proposed amendment may be additional issuer costs resulting from, among other things, the increased reliance on proxy solicitors simply to ensure a quorum is achieved.

Proxy Advisory Firms

NIRI believes the influence of proxy advisory firms on director elections may increase due to this proposed amendment. The potential for proxy advisory firm conflict of interest exists, particularly as they provide consulting services to issuers about whom they are providing voting recommendations.

OBO/NOBO

NIRI believes the objecting beneficial owner (OBO) status and non-objecting beneficial owner (NOBO) status should be re-evaluated. Outdated shareholder communications rules have created artificial, unnecessary and expensive barriers between public companies and their retail shareholders. Changing Rule 452, without broader, comprehensive proxy system reform, would exacerbate problems with the current system, and further lessen the impact of the retail vote.

Non-Voting

NIRI believes that a substantial number of shareholders typically choose not to vote on either routine or non-routine matters. Given the current complexities and difficulties in companies communicating quickly and directly with their shareholders, the proposed changes to Rule 452 will likely accentuate this non-voting problem for director elections. The SEC should evaluate broker voting and potential solutions to allow brokers to vote

on behalf of beneficial owners in a manner that ensures good governance and eliminates any conflicts.

Investor Education

NIRI believes voting on corporate matters is one of the core rights and responsibilities of shareholders, yet many choose not to vote. The SEC, in concert with issuers, intermediaries and other financial institutions, should lead a broad based and significant educational effort designed to increase voting participation and ensure the votes of a few do not have undue influence on director elections.

Conclusion

NIRI hopes these comments are helpful to the SEC as it deliberates potential changes to Rule 452. As stated earlier, shareholder director voting is a critical part of good corporate governance. However, NIRI does not believe in piecemeal changes to an antiquated, complicated and costly proxy system – it does not support the proposed change to Rule 452. NIRI urges the SEC to reject this amendment and immediately undertake a comprehensive review of the U.S. proxy system to ensure it is a model of good governance that is relied on by informed and involved investors, and employs a voting system that is transparent and cost-effective. Thank you for your consideration on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey D. Morgan". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Morgan" clearly distinguishable.

Jeffrey D. Morgan, CAE
President & CEO