

THE STA

SECURITIES TRANSFER ASSOCIATION, INC.

BOARD OF DIRECTORS

CHARLES V. ROSSI, President
Executive Vice President, US Client Services
Computershare
Canton, Massachusetts

THOMAS L. MONTRONE, Vice President & Assistant Secretary
President & Chief Executive Officer
Registrar and Transfer Company
Cranford, New Jersey

ROBERT M. CARNEY, SR., Vice President
Senior Vice President
Bank of New York Mellon Shareowner Services
Jersey City, New Jersey

DEBRA H. HACKA, Treasurer
Senior Vice President & Department Manager
National City Bank
Cleveland, Ohio

STEVEN NELSON, Secretary
Chairman and President
Continental Stock Transfer & Trust Co.
New York, New York

MARY CORCORAN
Senior Vice President
Invesco Aim Investment Services, Inc.
Houston, Texas

ROBERT L. MACKENZIE
Vice-President Product Management
Computershare Trust Company of Canada
Toronto, Ontario, Canada

SALLI A. MARINOV
President & Chief Executive Officer
First American Stock Transfer, Inc.
Phoenix, Arizona

TODD J. MAY
Group Head
Wells Fargo Shareowner Services
South St. Paul, Minnesota

JONATHAN E. MILLER
President
StockTrans, Inc.
Ardmore, Pennsylvania

YEHUDA L. NEUBERGER
Senior Vice President
American Stock Transfer & Trust Company
New York, New York

EXECUTIVE DIRECTOR

CYNTHIA JONES

ADMINISTRATOR

CAROL A. GAFFNEY

March 27, 2009

Elizabeth Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

RE: Proposed Amendment to New York Stock Exchange Rule 452, Release No. 34-59464, File Number SR-NYSE-2006-92

Dear Ms. Murphy:

The Securities Transfer Association (“STA”) appreciates the opportunity to comment on the Proposed Amendment to New York Stock Exchange (“NYSE”) Rule 452 to eliminate broker discretionary voting for the election of directors (the “Proposal”). Founded in 1911, the STA is the professional association of transfer agents and represents more than 150 commercial stock transfer agents within the United States. Collectively, STA members serve as transfer agents for more than 15,000 publicly traded corporations, aggregating more than 100,000,000 shareholders.

STA members play a large role in the proxy voting and communication system on behalf of our clients. Transfer agents distribute proxy materials, host websites for annual meeting materials and proxy voting, tabulate the votes, and serve as inspectors of election for shareholder meetings. The STA has been actively involved with the NYSE on proxy reform for many years and has presented its concerns and made suggestions to improve the process to the NYSE Proxy Working Group, and is a member of the Shareholder Communications Coalition.

While the STA supports the NYSE's and Commission's efforts to address broker discretionary voting on behalf of beneficial holders, this is just one of many issues in the complex proxy voting and communication system. We urge the Commission to consider changes to Rule 452 in the context of a comprehensive review of the entire proxy distribution and voting process, which is more than two decades old, with the goal of allowing issuers to communicate effectively and efficiently with all shareholders, registered and street name, as well as finding solutions that will protect the integrity of our corporate governance system.

The STA does not believe the Commission should take action on any changes to Rule 452 until such a comprehensive review of the entire system is completed. Further, we would recommend an extension of the comment period beyond March 27, 2009 so that all interested parties, especially our issuer clients who will be most impacted by this change, will have sufficient time to perform a thorough review of the effects of the Proposal and provide their comments.

The following sets forth the STA's specific concerns with the Proposal as well as other components of the proxy system.

Concerns with Proposed Amendment to Rule 452

The proposed amendments to Rule 452 would eliminate a broker's ability to vote on the election of directors on behalf of a beneficial owner without receiving instructions from such shareholder. While this change would give beneficial owners a greater opportunity to be involved in the voting process, without any other changes, it could have serious consequences for issuers.

As indicated in the Investor Attitudes Study (the "Study"), commissioned by the NYSE in 2006,¹ beneficial owners do not understand the role of a broker in the existing proxy voting structure and did not know, or incorrectly answered, what happened to their vote. Only 10% of the investors knew that the broker retained the discretion to vote if they did not submit a vote. The Study makes it clear that absent an educational campaign to inform beneficial owners about the voting process, as well as the importance of their vote, the Proposal could have the effect of decreasing voting rates from where they are today. For many issuers, especially those that do not have a large institutional investor base, this could present difficulty for issuers to reach a quorum. In order to achieve a quorum, issuers may need to incur additional expenses to send follow-up mailings and make telephone solicitations of those beneficial owners they can identify.

The potential adverse effects of this one rule change demonstrates the need to perform a comprehensive review, rather than take a piecemeal approach to proxy reform.

¹ Investor Attitudes Study, Opinion Research Corporation, April 7, 2006, available at <http://www.shareholdercoalition.com/NYSEORCInvestorStudy4706.pdf>.

Additional Concerns with the Proxy System

Distribution Process

Generally, for shares held by beneficial owners in “street name,” intermediary banks and brokers contract out the distribution of proxy materials and the tabulation of votes to one company, Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge is a de facto monopoly with no regulatory oversight. SEC and NYSE rules require issuers to pay for these services, but they have no choice as to the service provider and no direct ability to negotiate more favorable rates for the services provided. This has resulted in a decades' old system that encourages the status quo rather than creating efficiencies in technology, processing and costs.

The STA strongly supports a review of this distribution system to encourage market competition and eliminate the de facto monopoly held by Broadridge. Issuers should be given the ability to negotiate reimbursement fees directly with banks and brokers, as they would in the ordinary marketplace. Market competition in this process would promote technological advances and efficiencies that would reduce costs and improve communications with street name holders. As discussed below, better communications with street name holders is needed to improve the proxy system and provide all investors with the information they need to vote and be involved with important corporate governance matters. The current outdated distribution system is one of the obstacles to such direction communications.

Direct Communications with Beneficial Owners

Another barrier to direct communications between issuers and street name holders are the existing rules concerning OBOs (objecting beneficial owners, who hold their shares through banks or brokers, but object to identifying themselves to companies) and NOBOs (non-objecting beneficial owners, who hold their shares through banks or brokers, but permit themselves to be identified to companies). The Investor Study indicated this is another area of confusion among beneficial owners, who after being given an explanation of the differences, opted for NOBO status. Providing issuers with more direct access to beneficial owners through changes to the rules for NOBOs and OBOs would help achieve greater participation in the voting process as well as reduce costs.

Over-voting and Share-Lending

Over-voting has been a longstanding problem of the proxy system. This occurs when a bank or broker casts more votes than it is entitled to vote. Over-voting can be caused by certain stock lending practices of intermediaries holding street

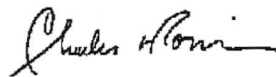
Elizabeth Murphy
March 27, 2009

Page 4

name shares. Although the right to vote follows the shares that are lent, intermediaries often erroneously issue voting instructions on behalf of the original shareholders who no longer have the right to vote. The use of different methodologies in the reconciliation of voting instructions to record date shares is another cause of over-voting. Through the current processes, the integrity of the voting system and voting rights of shareholders are compromised.

The STA appreciates the opportunity to comment on the Proposal. We would welcome the opportunity to discuss our comments in more detail.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Charles V. Rossi".

Charles V. Rossi
President