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July 8, 2009

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-10-09

In this letter, I am commenting on proposed changes in the federal proxy rules intended to facilitate shareholder director nominations, as set forth in Release Nos. 33-9046; 34-60089; IC-28765; File No. S7-10-09.

I am an independent director of a company subject to the federal proxy rules. I have reviewed the release, but I no longer routinely review and struggle with the federal proxy rules and other components of the federal securities regulation. Hence, I am not attempting to provide specific comment on the complex rules the SEC is proposing. I am concerned and will express my concerns, however, about the consequences, intended and unintended, of the process contemplated by the proposal.

The rules proposed to facilitate nomination of directors by investors who are not affiliated otherwise with the company may address the current outrage directed at companies that have contributed to our current economic distress and may fulfill a festering desire of the SEC and many commentators to provide shareholders a more meaningful role in the selection of directors, but the proposals are not necessarily likely to enhance performance by directors of their responsibilities to their companies and to their shareholders.

Enhancing the effectiveness of directors, however they may be selected, is important and urgent. In recent months, we have seen inexplicable and clearly harmful circumstances at companies, especially those in the financial and automotive industries, whose directors had outstanding credentials and had been regarded as leaders of the American business

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establishment. They probably continue to deserve our admiration, but they were unable apparently to foresee and thus prevent the calamities that have affected us all. Directors have only blunt tools to influence how a business is conducted, particularly as that business becomes larger, more complex and more organizationally extended. Directors probably have, however, exceptional, although subtle, influence on senior management with respect to strategic and similar highly focused matters. Finding a limited number of people who can and will perform effectively as directors is a more vital objective than giving shareholders easy access to the selection of those people.

Perhaps the open nomination of directors could lead to more productive vetting of prospective candidates. Introducing a process with political overtones, however, would risk elevating electability over competence. Expectations that directors will make big changes in the manner that management runs a company are misplaced. Selection of chief management officers will continue to be the major role of directors and their greatest opportunity to make a difference for investors. The question for me thus is how can shareholders have greater confidence that prospective directors will do a good job as directors.

Imposing a system that will assure that the individuals elected as directors will be excellent in that role is beyond the capacity of the SEC, but the disclosure mechanic familiar to the SEC could be helpful. Shareholders need better and more extensive information about the prospects for nominated individuals to perform effectively as a director. The description of nominees in proxy statements, both nominees of the incumbent board and nominees of shareholders or groups of shareholders, should be expanded to state:

- Whether the individual had participated in an independent training program for directors within the preceding two years and, if so, the identification of the program and its curriculum.
- Whether the individual had been interviewed by an independent accrediting agency and, if so, what recommendation had been made by that agency.
- If the individual had served as a director of a publicly-held company within the preceding ten years, the committees on which the individual had served, the attendance record of the individual and any other information about that company that might be pertinent to the effectiveness of the individual, particularly information about the performance of the company during the period the individual had served as a director.

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- Explanation of other obligations of the individual that would be relevant to the time and quality of attention that the individual would be able to give to the governance of the company.
- Information about relationships with other directors, members of management and major shareholders or debt holders of the company.
- A statement by the nominating person setting forth specific factors that the nominating person believes will enable the individual to be a positive force for the interest of the company, its securities holders and its other constituencies.
- Any other factors about the individual that might have a bearing on the likely effectiveness of the individual.

A consequence of this type of information might be the development of an independent process for evaluating individuals who would serve as directors. In time, such a process could evolve into a useful means for identifying and recruiting effective directors, giving both managements and shareholders greater confidence about the individuals who serve on boards of directors. Although forced disclosure is an indirect method of inducing changed behavior, it is a device that the SEC has learned to use effectively and one to which both companies, shareholders and intermediators respond.

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