



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

DIVISION OF  
CORPORATION FINANCE

May 9, 2008

Ann Yerger  
Executive Director  
Council of Institutional Investors  
888 17<sup>th</sup> Street NW  
Washington DC 20006-3310

Dear Ms. Yerger:

Thank you for your recent letter to Chairman Cox urging the Commission to publish proposed changes to the NYSE Euronext's Rule 452. The proposed changes would cause all director elections to be treated as non-routine matters and thereby eliminate the ability of NYSE member brokers to exercise proxy voting discretion over their customers' uninstructed shares with respect to both contested and uncontested director elections.

We appreciate the Council's active and longstanding role in focusing attention on the effect that Rule 452 can have on the outcome of proxy solicitations. We also appreciate the efforts of the NYSE Euronext to propose the Rule 452 amendment in response to a recommendation made by the NYSE Euronext's Proxy Working Group.

There are a few different reasons why the Commission has not yet published the proposed Rule 452 amendment. Two primary reasons are: the Commission's desire to address multiple proxy-related issues on a comprehensive, rather than fragmented, basis; and efforts initiated by several of the major brokerage firms during the 2007 proxy season to vote the uninstructed shares of their customers in proportion to actual votes received from their retail customers.

As I'm sure you know, Chairman Cox has indicated an intention to pursue in 2008 the fundamental objective of better aligning the federally-regulated proxy system with the state-authorized rights of shareholders to determine the directors of the companies that they own. In connection with our continuing efforts to pursue that objective, we will consider the proposed Rule 452 amendment and other proxy-related issues. Commission staff also has asked the NYSE Euronext's Proxy Working Group to analyze the results of last proxy season's proportional voting experiment and to report its findings to the Commission so that we can consider the results of that approach.

Thank you again for your interest regarding the NYSE Euronext's proposed amendment to Rule 452 and for taking the time to write to express your concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Shelley E. Parratt".

Shelley E. Parratt  
Deputy Director