

SECURITIES



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 Securities Transfer Corporation, 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.

Our firm thinks that the decision to make this change would adversely affect the financial community and the ability of companies to obtain a quorum on routine proxy proposals. This is only one of the items that should be reviewed in the proxy voting and communications system. The SEC should not take action on Rule 452 without also reviewing the many needed reforms in the entire proxy system. Please consider extending the comment period beyond March 27, 2009, this would allow other firms an opportunity to comment on these issues and actually review the impending impact on the financial community.

I thought that the objectives of the proxy rules were to improve corporate control and accountability by disclosure of corporate information and to have participation by shareholders in the decision making process.

Below is a list of important issues that have been identified by The NYSE Proxy Working Group and other agencies that must be addressed in order for the entire proxy system to attempt to work in a cohesive manner.

- Encourage communication between shareholders and the company free from cumbersome and very costly requirements of a proxy system that is controlled by broker-dealer firms, forcing issuers to deal with a single service provider.
- Out of date SEC rules that should actually encourage or allow communication directly between the issuers and their beneficial shareholders for meetings;
- Share lending practices and the use of financial derivatives that may be used to manipulate proxy voting;

- Over-voting and under-voting problems that seem to be enhanced by the proxy system; and
- Unregulated and unsupervised proxy advisory services which have significant influence over the institutional investor vote.

At a time when people in general have lost faith in the government and its ability to regulate capital markets, the Commission should be looking for opportunities to present far reaching and insightful rules that will help govern the industry now and certainly in the future.

Electronic communication has changed from 1992 with Electronic Data Interchange to Personal Digital Assistant or hand held computers. Why should barriers exist between the issuer company and the record or beneficial shareholders? For these reasons, Securities Transfer Corporation urges the SEC to undertake a thorough review of the entire proxy processing system and please refrain from adopting individual changes to a system that requires a comprehensive plan.

Sincerely,

A handwritten signature in black ink, appearing to read "George Johnson", written in a cursive style.

George Johnson, Vice President
Securities Transfer Corporation