



Investment
Management
Corporation

The following proxy vote decisions reflect our *Corporate Governance Principles and Proxy Voting Guidelines* (the “Guidelines”) and consideration by bcIMC staff to the individual circumstances of companies.

The Guidelines are available at www.bcimc.com



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason	
ADAPTEC INC	23-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines	
		Board Of Directors	Board Membership	F	Meets Guidelines	
		Capital Issues	Authorized and Issued Shares	A	Does not meet Guidelines for shareholder value maximization	
		Comments: The number of authorized common shares would not be reduced proportionately in conjunction with the proposed reverse one-for-five stock split. Thus, the reverse split would have the same effect as increasing the number of authorized shares by 400 percent, and exposes our clients' shareholdings to excessive dilution risk.				
		Compensation	Executive Management Pay	F	Meets Guidelines	
		Compensation	Director Pay	F	Meets Guidelines	
ALLIED WASTE IND	14-Nov-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines	
		Comments: This item seeks shareholder approval of Allied Waste's takeover by Republic Services Inc. Allied shareholders will receive 0.45 shares of Republic common stock for each Allied share. Based on our review of the terms of the transaction, particularly the strategic rationale and process, market response, Republic's history of generating better than peer average total shareholder returns, and analysts' favorable outlook for Republic, we believe that the merger agreement warrants shareholder support.				
		Shareholder Rights	Voting Rights	F	Meets Guidelines	
Comments: Management seeks authority to adjourn the meeting to solicit additional votes to approve the merger, if necessary. Because we support the merger, we support the motion.						
ANHEUSER BUSCH COS	12-Nov-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines	
		Comments: InBev, a Belgian beverage company with 200 brands, is offering to acquire Anheuser-Busch, the largest beer and light malt beverage company in the U.S., for \$70.00 cash per share in this merger worth approximately \$54.8 billion. The merger consideration represents a premium over pre-announcement share price. Anheuser-Busch did not conduct a full auction process but the company appointed two financial advisors that delivered an opinion indicating that the merger consideration to be received by the company's shareholders is fair. We support the merger.				



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
ANHEUSER BUSCH COS	12-Nov-2008	Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments: We are supporting this resolution, which allows the company to adjourn the meeting, if necessary, to seek additional proxies in favour of the merger, because we are in favour of the merger.</p>					
APPLIED BIOSYSTEMS INC. (FORMERLY APPLERA CORPORATION)	16-Oct-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments: Acquisition of Applied Biosystems Inc. by Invitrogen Corporation.</p>					
		Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments: Authorize management to adjourn meeting to seek additional proxies which we support because we support the proposed deal with Invitrogen.</p>					
ARCHER-DANIEL MIDLND	06-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments: We are withholding votes from returning members of the Compensation Committee as performance metrics that are changed, canceled, or replaced in the midst of the performance period are considered poor pay practices. Also we oppose changes that were made for fiscal 2009 annual cash compensation such that payouts will rely significantly on subjective assessment of performance by the Compensation Committee.</p>					
<div style="border: 1px solid black; padding: 5px;"> <p>Split Vote: Haynes, Neto, O'Neill, Westbrook - Ratification of poor compensation policy/practice</p> </div>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
ARCHER-DANIEL MIDLND	06-Nov-2008	Shareholder Rights	Shareholder Proposal on Labour and Human Rights	F	Meets Guidelines
<p>Comments:</p> <p>A shareholder has submitted a proposal requesting the company commit to the implementation of a human rights code of conduct based on the International Labor Organization (ILO) Conventions and the United Nations' Norms on the Responsibilities of Transnational Corporations with Regards to Human Rights (UN Norms) at its international production facilities and those of its international suppliers. The proposal also calls on the company to commit to a program of outside, independent monitoring of these standards. We recognize the value of labor standards and formal company policies on human rights practices and generally support the adoption of principles or codes relating to human rights standards. This issue is particularly relevant for companies that have operations in countries where there are fewer protections for workers. Association with labor controversies in these regions could damage the company's reputation and lead to consumer backlash, protests, boycotts, or litigation.</p>					
AUTOMATIC DATA PROC	11-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
<p>Comments:</p> <p>The auditors have been in place for 41 years, a lengthy tenure that can lead to a negative perception of the independence of the auditor.</p>					
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>Dilution, burn rate, discretionary vesting, eligibility of consultants.</p>					
AUTOZONE, INC.	17-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
BALLY TECHNOLOGIES, INC.	10-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
BANK OF AMERICA CORP	05-Dec-2008	Capital Issues	Authorized and Issued Shares	F	Meets Guidelines
		<p>Comments:</p> <p>This proposal seeks shareholder approval to amend the company's certificate of incorporation to increase the number of authorized shares of common stock by 33 percent to 10,000,000,000 from 7,500,000,000 for the purpose of the issuing the common shares required for the merger with Merrill Lynch. As we support the merger, we support this item.</p>			
		Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
		<p>Comments:</p> <p>Bank of America is seeking approval of its offer to acquire Merrill Lynch in a fixed share exchange of 0.8595 of a share of the bank for each Merrill share. The bank announced the agreement early on Monday, September 15, 2008 and coincided with reports that Lehman Brothers had filed for bankruptcy, as well as other unfavorable market news. The bank's shares dropped over 21 percent on the day, but rebounded sharply over the course of the week and have performed well relative to peers subsequently. The bank has entered into an agreement to participate in the U.S. Government's bailout funding through a preferred share issue. The acquisition is expected to increase the combined company's underwriting capabilities for debt and equity offerings, as well as its ability to advise on global mergers and acquisitions, making it the number one underwriter of global high yield debt, the third largest underwriter of global equity and the ninth largest adviser on global mergers and acquisitions based on pro forma first half of 2008 results. The acquisition makes long-term strategic sense and is expected to achieve \$2.4 billion in pre-tax synergies in 2009 and 2010. In light of current market conditions, the terms of the transaction and overall market response, we believe that the deal merits shareholder support.</p>			
		Compensation	Executive Management Pay	F	Meets Guidelines
		<p>Comments:</p> <p>This item seeks approval to amend 2003 Key Associate Stock Plan to reserve 105,000,000 additional shares and extend the expiry by two years. Many key features of this plan meet or are close to the limits in our Guidelines, e.g. low burn rate, low dilution, no repricing, mandatory hold periods and limits on accelerating vesting. In addition, this plan allows for the cancellation of unvested restricted stock or outstanding stock option awards previously granted to an executive officer whose fraud or intentional misconduct cause the company to restate its financial statements.</p>			
		Shareholder Rights	Voting Rights	F	Meets Guidelines
		<p>Comments:</p> <p>Management seeks authority to adjourn the meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the items on the agenda for this meeting. Where we are supportive of the underlying transaction, we will support narrow proposal like this one to adjourn the meeting in order to permit further solicitation.</p>			
BARR PHARMACEUTICALS	21-Nov-2008				



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
BARR PHARMACEUTICALS	21-Nov-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
		Comments: Barr Pharmaceuticals is being acquired by Teva Pharmaceuticals Industries Ltd. Barr and Teva are the two largest companies, by market cap, in the global generic drug industry. The complimentary nature of the two companies' businesses would provide both strategic and financial benefits to both, and a merger would create the largest company in the generic drug industry. Barr shareholders will receive a combination of cash and Teva stock. Based on a review of the negotiations process, the terms of the deal, market reactions and governance concerns, on balance we believe the deal merits support.			
		Shareholder Rights	Voting Rights	F	Meets Guidelines
		Comments: This is a standard request to allow management to adjourn the meeting to seek additional proxies in support of the merger, if necessary. As we are supporting the merger, we are voting in favour of this item.			
BLUE COAT SYSTEMS INC	02-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
BOTTOMLINE TECHNOLOGIES (DE), INC.	18-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
BUCKEYE TECHNOLOGIES	05-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
CAMPBELL SOUP CO.	20-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
		Comments: The auditors have served the company for 54 years. We believe that such lengthy tenures can impair the objectivity and independence of the auditor.			



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason	
CAMPBELL SOUP CO.	20-Nov-2008	Board Of Directors	Board Membership	F	Meets Guidelines	
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization	
		Comments: This agenda item seeks approval to amend the 2005 Long-Term Incentive Plan to reserve 4,500,000 additional shares. This plan includes features we do not support, e.g. discretionary vesting, accelerated vesting on change in control, and is dilutive.				
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization	
Comments: Shareholders are being asked to re-approve the material terms of the performance goals under the 2003 Long-Term Incentive Plan which provides for grants of stock options, SARs, restricted stock, performance-restricted stock, unrestricted stock, and performance units to the company's key employees and non-employee directors. This plan also includes features we do not support, e.g., discretionary vesting, accelerated vesting on change in control, ten-year expiry.						
CARDINAL HEALTH INC	05-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines	
		Board Of Directors	Board Membership	F	Meets Guidelines	
		Board Of Directors	Board Structure / Process	F	Meets Guidelines	
		Comments: The board is seeking shareholder approval to implement a majority vote standard in elections of directors.				
Board Of Directors	Board Structure / Process	F	Meets Guidelines			
Comments: This item seeks shareholder approval to eliminate cumulative voting in director elections. We believe that cumulative voting is an important tool in the protection of shareholders' rights, but we also recognize that the need for cumulative voting can be offset if a company has other safeguards in place to protect shareholders' rights and to promote director accountability. In light of the introduction of majority voting in item one, we feel that this proposal to eliminate cumulative voting is reasonable.						



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason	
CARDINAL HEALTH INC	05-Nov-2008	Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization	
		Comments: Dilution				
		Compensation	Employee Pay	A	Does not meet Guidelines for shareholder value maximization	
		Comments: Discount on stock purchases is high.				
CARDINAL HEALTH INC	05-Nov-2008	Shareholder Rights	Company Operations	F	Meets Guidelines	
		Comments: The company's regulations currently contain no provisions that set forth the manner in which shareholders may bring business before a meeting of shareholders and shareholder's ability to nominate a candidate for election to the board at an annual meeting. The effect of this proposed company bylaw amendment is that common shareholders will have to comply with reasonable notice requirements when seeking to propose business at the company's annual or special meetings and nominating directors. This is not a contentious procedural change.				
CARDINAL HEALTH INC	05-Nov-2008	Shareholder Rights	Shareholder Proposal on Shareholder Accountability	F	Meets Guidelines	
		Comments: A shareholder is proposing that the board adopt a policy requiring that stock options, which are granted to senior executives as part of their compensation package, are performance-based. For example, stock option grants would not vest or become exercisable unless specific stock price or business performance goals are met. This is a reasonable proposal and supports the pay for performance principle.				
CINTAS CORP	14-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines	



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
CINTAS CORP	14-Oct-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>We are withholding our vote from Mr. Phillips, who as lead director and Chairman of the Nominating and Corporate Governance Committee, bears responsibility for many of the company's questionable governance practices, which include, but are not limited to: (i) a poor track record on disclosing transactional and other relationships, particularly related to donations made to his charitable company; (ii) inadequate response to legitimate governance concerns, and (iii) the disregarding of director retirement policies, which was amended to enable him to continue on the board.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto; margin-right: auto;"> <p>Split Vote: Phillips - Independence of Directors</p> </div>					
		Shareholder Rights	Company Operations	F	Meets Guidelines
<p>Comments:</p> <p>We are voting in support of this shareholder proposal seeking a bylaw amendment to require an independent Chair. While the roles of Chair and CEO are separate on this board, the Chair is not independent as he is the company founder, a former CEO and father of the current CEO. It is often in shareholders' best interest to require that the Chair be independent. One of the board's primary responsibilities is to represent the interests of shareholders and the board is responsible for overseeing management and instilling accountability. Conflicts of interest may arise when the Chair is a relative of the current CEO. While designation of a lead director can offset concerns about the independence of the Chair, at this company the lead director's independence is questionable.</p>					
		Shareholder Rights	Shareholder Proposal on Shareholder Accountability	F	Meets Guidelines
<p>Comments:</p> <p>The item is a shareholder proposal that the company include ratification of compensation of named executive officers as an advisory vote at each annual meeting. The advisory vote would allow shareholders a voice in the company's executive compensation practices, in effect a confidence vote on the work of the compensation committee and could encourage constructive dialogue between the committee and investors on any contentious pay issues. We are voting in support of this motion on the principle of increased shareholder communication rather than as a disapproval of this company's current compensation practices, which are reasonable under our Guidelines.</p>					
CISCO SYSTEMS, INC.	13-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
<p>Comments:</p> <p>The auditors have now been in place for 20 years, which is just at the point where we believe that the independence of the auditor can become impaired because of the length of tenure. We will monitor the situation.</p>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
CISCO SYSTEMS, INC.	13-Nov-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>We expressed concern last year about the CEO's compensation relative to peers but noted that the company outperformed its benchmark. This year, the CEO's compensation again increased significantly, up 26.69% over 2007 to \$22.8 million. However, the company's returns also declined significantly with a one-year total shareholder return of -23.94%. We are withholding votes from the three returning Compensation Committee members as a result. We are withholding our vote from one additional director for poor attendance without an explanation.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Split Vote: Capellas, Halla, McGeary - Ratification of poor compensation policy/practice Yang - Poor Attendance</p> </div>					
		Shareholder Rights	Shareholder Proposal on Labour and Human Rights	A	Does not meet Guidelines for shareholder rights or value maximization
<p>Comments:</p> <p>A shareholder has re-submitted a resolution requesting that the company establish a Board Committee on Human Rights. We did not support the proposal last year and it did not pass. The company does report on human rights initiatives and protections in its codes of conduct and is a signatory to the UN Global Compact. We are not aware of company violations or poor practices regarding human rights that would warrant establishing a board committee. We do not support this request at this time.</p>					
		Shareholder Rights	Shareholder Proposal on Labour and Human Rights	F	Meets Guidelines
<p>Comments:</p> <p>A shareholder has re-submitted a resolution requesting that the company provide a summarized listing and assessment of concrete steps it could reasonably take to reduce the likelihood that its business practices might enable or encourage the violation of human rights, including freedom of expression and privacy, or otherwise lead to the fragmentation of the Internet. While the company has improved the information it provides on this topic, it has not taken significant steps relative to its peers, e.g. Microsoft, Yahoo and Google recently announced the Global Netowrk Initiative, a collaborative initiative to protect and advance freedom of expression and protection of privacy in the information technology sector, and public interest and expectations in this area are increasing. bcIMC continues to believe that companies must have systems in place to effectively assess and manage risk, including human rights risks. Undertaking the assessment requested in this shareholder proposal would not place an undue burden on the company. We support this item.</p>					
CLEVELAND-CLIFFS INC.	03-Oct-2008				



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
CLEVELAND-CLIFFS INC.	03-Oct-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
		Comments: Shareholders are being asked to approve the establishment of an ownership position by a single shareholder (which is not seeking to buy the company) that in effect gives this shareholder a veto power over major corporate actions. We are voting in support of the establishment of this ownership position which opposes the company's pending Alpha transaction, because we also believe the transaction is not in the best interest of CLF shareholders. We are viewing the vote on the control share acquisition as a referendum on the Alpha transaction, and by this supporting vote for control, we hope to send a message to the CLF board of our disgruntlement over the deal (the price paid is excessive).			
	20-Nov-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	A	Does not meet Guidelines for shareholder value maximization
		Comments: The purpose of this meeting was to obtain shareholder approval of the company's proposal to acquire Alpha Natural Resources (ANR). A dispute arose between the parties and ANR launched a lawsuit. On November 17, the company(CLF) announced that it has reached a settlement with Alpha Natural Resources (ANR) on the litigation brought by ANR and terminated the merger to acquire ANR, after considering various issues, including the current macroeconomic environment, uncertainty in the steel industry, shareholder dynamics and risks and costs of potential litigation. Under the terms of the settlement agreement, Cliffs will pay Alpha \$70 million. Cancellation notification was not received by the voting deadline. The vote against simply registers our frustration with lack of information and what appears to be unnecessary and costly process that has not benefitted shareholders.			
CLOROX CO	19-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
COACH, INC.	30-Oct-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
		Comments: We are withholding votes from the six members of the Compensation Committee. The Compensation Committee is responsible for establishing, implementing, and continually monitoring adherence to the company's compensation philosophy and to ensure that compensation paid to the executive officers is fair, reasonable, competitive, and performance-driven. The multi-year agreement with the new President includes guaranteed annual increases to base salary and fixed bonuses, in addition to performance linked bonuses. We believe that guaranteed increases in base salary and annual bonuses run counter to the pay for performance philosophy.			
		Split Vote: Kropf, Loveman, Menezes, Miller, Murphy, Zeitlin - Ratification of poor compensation policy/practice			



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
COACH, INC.	30-Oct-2008	Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
Comments:					
This item seeks approval of an amendment to the Performance-Based Annual Incentive Plan, a cash bonus plan, to increase the maximum annual award that may be made to any individual from \$6.0 million to \$12.0 million. The Bonus Plan was originally approved by the company's shareholders in 2001 and provides senior executives with annual incentive compensation that is tied to achieving pre-established objective performance goals. The company's stated objective is to have target performance result in median cash compensation (base plus annual bonus) for the company's peer group and above-target performance result in above average cash compensation. However, we believe that the maximum individual limit being proposed is simply excessive.					
CRAFTMADE INTERNATIONAL, INC.	25-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
DEL GLOBAL TECHNOLOGIES CORP	15-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
DEVRY INC	13-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
DIONEX CORP	27-Oct-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
Comments:					
The audit firm has been in place for 28 years. We believe that such a long tenure can compromise the independence of the auditors.					



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Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
DIONEX CORP	27-Oct-2008	Board Of Directors	Board Membership	F	Meets Guidelines
		Comments: A substantial majority of the board members are independent outsiders. The key board committees include no insiders or affiliated outsiders. Compensation is reasonable and has a significant performance component. A lead director is in place.			
DOLLAR FINANCIAL CORPORATION	13-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
DONALDSON CO., INC.	21-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
EDDIE BAUER HOLDINGS, INC	05-Nov-2008	Shareholder Rights	Company Operations	F	Meets Guidelines
		Comments: Proposed article amendment is, on balance, beneficial to shareholders.			
ENERGY CONVERSION DEVICES	18-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
ESTEE LAUDER CO	07-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines



Vote Summary

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Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
ESTEE LAUDER CO	07-Nov-2008	Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>Individual annual cash award limits of \$6 million per plan participant may lead to excessive payouts, particularly given that this is only one component of overall executive compensation packages.</p>					
ETHAN ALLEN INTERIORS INC.	11-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
FIRST THIRD BANCORP	29-Dec-2008	Capital Issues	Authorized and Issued Shares	F	Meets Guidelines
<p>Comments:</p> <p>This item seeks shareholder approval to amend the company's articles of incorporation to enable the company's authorized preferred stock to be issued in connection with the U.S. Treasury's (the "Treasury") Capital Purchase Program (the "CPP"). The company has received preliminary approval to receive approximately \$3.46 billion in connection with the CPP. The articles do not currently permit preferred shares to have voting rights but specified voting rights are required under the CPP. The preferred shares issued to the Treasury will not be entitled to vote on directors elected by common shareholders and the limited voting rights will not have any anti-takeover effect on the company as they will be used solely to participate in the CPP. While we do not normally support multiple classes of shares with different or unequal voting rights, this proposal will permit the company to obtain capital on favourable terms at a time of great uncertainty in the US banking sector and merits shareholder support.</p>					
		Capital Issues	Authorized and Issued Shares	F	Meets Guidelines
<p>Comments:</p> <p>This item seeks approval to amend the articles of incorporation to provide the holders of an existing class of preferred shares, Series G holders, with the same voting rights as the Treasury will have in the election of two Preferred Directors, which will only occur if the bank fails to pay dividends on the Treasury shares for six quarters, which do not have to be consecutive. The amendment is required under the terms of the CPP and replaces the right of the Series G holders to nominate two directors. We believe that broadening the base of shareholders entitled to vote on the Preferred Directors could increase the likelihood that these directors will represent the interest of all shareholders and are supporting the request.</p>					



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Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
FIRST THIRD BANCORP	29-Dec-2008	Capital Issues	Authorized and Issued Shares	A	Does not meet Guidelines for shareholder value maximization
Comments:					
This item requests approval of an amendment to the bank's articles to provide the board with the ability to tailor voting, distribution, dividend and liquidation rights in connection with issues of preferred shares that may be made in the future. Except for the rights sought in connection with participation in the CPP in the two previous items, the articles do not now allow the company to issue preferred shares with voting rights. The proposed amendments do not explicitly prevent new preferred share issues from being used for anti-takeover purposes. While rejecting this request will reduce the bank's flexibility for raising capital in the future, we will not support bylaw amendments that make it possible for additional classes of shares with unknown rights to be issued.					
		Shareholder Rights	Voting Rights	A	Does not meet Guidelines for exercise of voting rights
Comments:					
Management seeks authority to adjourn the meeting to solicit additional proxies in the event that there are insufficient votes to approve the amendment proposals. Because we are not supporting all the proposals, we are not able to support this request.					
FORCE PROTECTION INC	21-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
Comments:					
We are voting against this request to approve the 2008 Stock Plan to reserve 5,200,000 shares because the features of the plan include eligibility of consultants, company loans are available to assist plan participants, discretionary vesting and accelerated vesting on change in control.					
		Shareholder Rights	Company Operations	F	Meets Guidelines
Comments:					
Bylaw amendments to increase maximum size of board and prohibit loans to directors (which are not occurring).					
FORTRESS INTERNATIONAL GROUP, INC.	02-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason		
FORTRESS INTERNATIONAL GROUP, INC.	02-Dec-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness		
<p>Comments:</p> <p>The board has not established a formal nominating committee but has established a practice where the independent directors serve the functions of such committee. As a matter of best practice and due to the growing importance of nominating committee functions, we believe that companies should have a formal nominating committee composed of independent board members. There is greater accountability to shareholders when committees are established with clearly defined roles and responsibilities. We are withholding our vote from the two candidates for election who are not independent for failure to establish a formal nominating committee.</p>							
<table border="1"> <tr> <td>Split Vote:</td> <td>McMillan, Rosato - Failure to Establish an Independent Nominating Com</td> </tr> </table>						Split Vote:	McMillan, Rosato - Failure to Establish an Independent Nominating Com
Split Vote:	McMillan, Rosato - Failure to Establish an Independent Nominating Com						
GRUBB & ELLIS CO.	03-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines		
<p>Comments:</p> <p>The company has a classified board with three members up for election. The company is being challenged by a dissident group, led by the former Chair who assumed that role following the merger of this company with KNN where he had served as Executive Chair. The dissident seeks three seats on an eight member board. We are supporting the company's nominees after a careful review of the financial performance of the merged company against its peers, its strategic plans, the views of the current independent members of the board, executives and significant business parties, analysts comments and stock market price reactions to key events during 2008. The dissident raises some valid points with respect to corporate governance such as the classification of the board (a condition of the merger) and higher than peer compensation levels. However, he is a business competitor with loans from the company in default. We do not believe that it would be in the best interests of all of the shareholders to support the dissidents.</p>							
		Shareholder Rights	Company Operations	A	Does not meet Guidelines for shareholder rights or value maximization		
<p>Comments:</p> <p>This item put forward by the dissidents seeks shareholder approval to adopt a binding resolution to amend the Bylaws of the company to require the company to hold the 2008 Annual Meeting on December 3, 2008 and to prevent the company from delaying such meeting to a later date. As the meeting is set to take place on this date, we see no reason to vote for this item.</p>							
		Shareholder Rights	Company Operations	F	Meets Guidelines		
<p>Comments:</p> <p>The dissident is submitting for adoption a proposed bylaw amendment that will require shareholder approval in order for the board to adjourn a shareholders meeting at which a quorum is present. The company opposes the amendment claiming that the bylaw may prevent the board from being able to adjourn meetings in appropriate circumstances, e.g. to ensure all relevant material is placed before shareholders. We believe that the shareholders are capable of making the decision appropriately and that the requirement for a quorum to be present will adequately protect shareholders and the board/management. We are voting in favour of the motion.</p>							



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
GRUBB & ELLIS CO.	03-Dec-2008	Shareholder Rights	Voting Rights	A	Does not meet Guidelines for exercise of voting rights
<p>Comments: This is a routine item to allow shareholders to raise other issues and discuss them at the meeting. Only issues that may be legally discussed at meetings may be raised under this authority. As we cannot know the content of these issues, we will not support this request.</p>					
HARMAN INTERNATIONAL INDUSTRIES, INC.	03-Dec-2008	Board Of Directors	Board Membership	F	Meets Guidelines
<p>Comments: Only two of the eight members of the board are up for election at this meeting. Because both are new to the board and are independent of management, we are voting for them. If they had been serving for any length of time, we would have withheld our vote as the remuneration practices at this company merit shareholder disapproval, in particular past service pension credit of 21 years for the new CEO, after the fact adjustments on pay-for-performance measures and seemingly gratuitous bonus payments for newly hired executives. We will continue to monitor the performance of the board with respect to compensation practices.</p>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments: Plan features including discretionary vesting, burn rate, dilution.</p>					
		Compensation	Executive Management Pay	F	Meets Guidelines
<p>Comments: The company is seeking shareholder approval for its 2008 Key Executive Officers Bonus Plan, a cash bonus plan for approximately four senior executives. The target for the 2007 plan was a 10 percent return on stockholder equity and was not paid because the target was not met. This plan complies with IRS requirements and is administered by an independent committee of the board that must certify achievement of award criteria.</p>					
HARRIS STRATEX NETWORKS	20-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
HARRIS STRATEX NETWORKS	20-Nov-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>We are withholding our vote from the former Chair and CEO because he is a member of the Nominating Committee which we believe should only have members who are independent.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Split Vote: Kissner - Failure to Establish an Independent Nominating Com</p> </div>					
		Compensation	Executive Management Pay	F	Meets Guidelines
<p>Comments:</p> <p>The company is seeking shareholder approval of the annual cash incentive plan. The performance measures included under the plan are specific, measurable and appropriate for the company given its line of business and long-term strategic objectives. The plan is administered by the independent compensation committee of the board which must certify attainment of the performance goals before cash awards are paid to participants.</p>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>Shareholders are asked to approve amendments to the 2007 Stock Equity Plan for the purposes of compliance with tax laws. However, we do not support many of the features included in this plan, for example, eligibility of consultants, discretionary accelerated vesting generally and on change in control, and dilution.</p>					
HERCULES INC	05-Nov-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>Shareholders are asked to vote on the company's acquisition by Ashland in a cash and stock transaction. The offer price represents good value for shareholders, and shareholders will also have the opportunity to participate in the upside potential of the combined company. In addition, we consider the transaction acceptable given the relative shareholder-friendly governance of the acquirer.</p>					
		Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments:</p> <p>Management seeks authority to adjourn or postpone the meeting for the purpose of soliciting additional proxies in the event there are insufficient votes to adopt the merger agreement described in item one. Since we support the merger agreement, we also support this related proposal.</p>					
IKON OFFICE EQUIPMENT	31-Oct-2008				



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
IKON OFFICE EQUIPMENT	31-Oct-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>Following an extensive sales process that involved 23 parties, Ikon reached an agreement to merge with Ricoh Company Ltd. The \$17.25 per share cash offer price represents a 33 percent premium to a 60-day average stock price and is also 33 percent above the company's December 2007 tender offer at \$13.00 per share, which was oversubscribed by shareholders. Based on our review of the terms of the transaction, particularly the significant cash premium that resulted from a competitive bidding process, we believe that the merger agreement warrants shareholder support.</p>					
IMERGENT INC.	19-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>Withholding from the Chair as an affiliated outsider sits on both the nominating and the compensation committees.</p>					
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Split Vote: Goergen - Failure to Establish an Independent Nominating Com</p> </div>					
		Board Of Directors	Board Structure / Process	A	Does not meet Guidelines for director accountability
<p>Comments:</p> <p>As part of a settlement agreement in shareholder litigation, the company agreed to present this proposal for a vote by all shareholders. The proposal seeks to impose a limit of ten years on the time that a director may serve the company. While we support regular refreshment of the membership of boards, we do not believe that the company or the shareholders are best served by a strict limit on tenure or mandatory retirement practices.</p>					
INTUIT INC.	16-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
INTUIT INC.	16-Dec-2008	Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>The company is seeking shareholder approval to amend the 2005 Equity Incentive Plan to reserve 10 million additional shares, extend the term of the plan by an additional year and make other changes. In addition to the further dilution presented by the proposed increase in share allotment, many other features of this plan are not in accord with our Guidelines, including high burn rate, discretionary vesting generally and on change in control, eligibility of consultants, and no performance linkages for the automatic grants and vesting for board members.</p>					
INVESTORS BANCORP INC.	28-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Executive Management Pay	F	Meets Guidelines
<p>Comments:</p> <p>This item seeks approval of the Executive Officer Annual Incentive Plan, a cash bonus plan, in order to preserve tax deductions available under the Internal Revenue Code. The plan includes objective performance measures that appropriate for the company given its line of business, long-term strategic objectives, and industry-specific measures for assessing market competitiveness. The plan is administered by an independent board committee that must certify attainment of goals before payments can be made.</p>					
INVITROGEN CORP	16-Oct-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>Acquisition of Applied Biosystems Inc.</p>					
		Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>Issuance of shares in connection with acquisition of Applied Biosystems Inc.</p>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
INVITROGEN CORP	16-Oct-2008	Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments: Authorize management to adjourn meeting, if necessary, to seek additional proxies. We support the motion because we are supportive of the acquisition of Applied Biosystems Inc.</p>					
J.M. SMUCKER CO.	16-Oct-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments: Based on the review of the terms of the transaction under which the company will acquire Folgers from Proctor & Gamble Company, in particular the strategic rationale, the prospects of the combined company, and the fact that the transaction is expect to have a positive impact on net earnings in 2009, we believe that the merger agreement warrants shareholder support.</p>					
		Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments: Under Smucker's time-phased voting structure, shares beneficially owned for four consecutive years are entitled to ten votes per share on most matters. Under the proposed amendment to the articles of incorporation, all Smucker shareholders, including P&G shareholders who receive Smucker common shares in the merger, will be entitled to exercise ten votes per share on the matters specified in the articles of incorporation until a change in beneficial ownership following the merger. Upon any change of beneficial ownership, the shareholder will be entitled to exercise only one vote per share until four years has passed. The approval of this proposal is subject to approval of the merger. While we normally favour the principle of one share, one vote, we also support long-term shareholding and agree with the company that the time-phased voting policy encourages long-term investment in the company by rewarding long-term shareholders with increased voting power.</p>					
		Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments: Management seeks approval of adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposals. Given our support for the merger agreement, we support this motion.</p>					
JDS UNIPHASE CORP	12-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
JDS UNIPHASE CORP	12-Nov-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>As this is a classified board, only three of the ten directors are standing for election. We are withholding our vote from the two who are members of the Compensation Committee due to the ongoing pay-for-performance disconnect at this company. The CEO's compensation increased 17.06% while shareholder returns continued to be negative with a one-year return of -15.41%.</p>					
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Split Vote: Skrzypczak, DeNuccio - Ratification of poor compensation policy/practice</p> </div>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>We are voting against this proposal to amend the 2003 Equity Incentive Plan to reserve 13,200,000 additional shares. The plan has many features that do not meet our guidelines including high dilution, high burn rate, eligibility of consultants, discretionary vesting, and change in control provisions.</p>					
JOHN HANCOCK FNL SVS	24-Nov-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>The purpose of the meeting is to approve a series of resolutions to effect the transfer of notes to a related company as part of the windup of John Hancock Canadian into John Hancock Financial. We have no concerns with this transaction.</p>					
K12 INC.	21-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
KANSAS CITY SOUTHERN	07-Oct-2008	Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>This proposal seeks shareholder approval of an omnibus stock plan, the 2008 Stock Option and Performance Award Plan and the reservation of 2,300,000 shares. We are voting against the proposal because many of the features are not consistent with our Guidelines including dilution in excess of our mandatory maximum of 5% of the outstanding shares, eligibility of consultants, discretionary acceleration of vesting and full vesting on change in control</p>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
KLA-TENCOR CORP	13-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
		Comments: The auditors have been serving the company for 31 years and such lengthy tenures can impair objectivity.			
		Board Of Directors	Board Membership	F	Meets Guidelines
KRATOS DEFENSE AND SECURITY SOLUTIONS	22-Dec-2008	Capital Issues	Authorized and Issued Shares	F	Meets Guidelines
		Comments: The proposed capital issue is to finance a strategic acquisition which we support.			
LAM RESEARCH CORP	06-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
		Comments: 27 year tenure can compromise auditor independence.			
		Board Of Directors	Board Membership	F	Meets Guidelines
LINEAR TECHNOLOGY	05-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
		Comments: 26 year tenure for the audit firm can compromise independence.			



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
LINEAR TECHNOLOGY	05-Nov-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>Linear's one-year and three-year fiscal year total shareholder returns (TSRs) were -7.75 and -2.01 percent, respectively, versus 15.01 percent and 10.29 percent for the company's peer group, and 3.30 percent and 6.98 percent for the Russell 3000 Index. The CEO's total compensation has increased by 50.3 percent to \$4.90 million in fiscal 2008 from \$3.26 million in fiscal 2007. We do not find evidence that the increases in CEO compensation have been tied to the company's performance and we are disappointed that the Compensation Committee approved increases in CEO annual base salary, bonus, and equity-based grants without proper justification when facing declining shareholder returns. Therefore, we are withholding votes from the Compensation Committee members for failing to establish a connection between CEO pay and company performance.</p>					
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Split Vote: Lee, Moley, Volpe - Ratification of poor compensation policy/practice</p> </div>					
MAGUIRE PROPERTIES INC	02-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
MAXIM INTEGRATED PRO	15-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>We are withholding votes from three returning board nominees who served on the Compensation Committee for lengthy periods during which senior management including the CEO (all now departed) engaged in stock option backdating in administering the stock option plan. The plan participants include all employees, non-employee directors and consultants. While new policies and procedures have been implemented and new management hired, these three directors ultimately bear responsibility for the compensation practices at the company during the period when this conduct occurred. We believe that the company and the shareholders would be better served with new directors.</p>					
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Split Vote: Bergman, Hagopian, Wazzan - Ratification of poor compensation policy/practice</p> </div>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
MAXIM INTEGRATED PRO	15-Dec-2008	Compensation	Employee Pay	A	Does not meet Guidelines for shareholder value maximzation
		Comments: The board seeks shareholder approval of the company's 2008 Employee Stock Purchase Plan which would reserve 4 million shares, or 1.26 percent. All employees are eligibile to participate in the plan. However, the shares can be purchased at 85 percent of market value which we believe is too much of a discount to support.			
MEDASSETS INC.	30-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
		Comments: Approval of the issuance of up to \$20 million worth of shares of common stock to satisfy part of the company's obligations pursuant to its merger agreement with Accuro, a transaction that should provide stratgeic benefits to the company and was received positively by the market.			
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
		Comments: The Long-Term Performance Incentive Plan includes several features that we do not support, including eligibility of service providers, high burn rate, high dilution to shareholders and discretion to change vesting requirements generally and on change in control,			
MEREDITH CORP	05-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Employee Pay	A	Does not meet Guidelines for shareholder value maximzation
Comments: Share purchase price discount is high					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
MEREDITH CORP	05-Nov-2008	Shareholder Rights	Shareholder Proposal on Environmental Responsibility	F	Meets Guidelines
<p>Comments:</p> <p>A shareholder group has submitted a resolution requesting that the company prepare a report assessing options for increasing the use of recycled fiber and Forest Stewardship Council (FSC) certified fiber as a means to reduce the company's impact on greenhouse gas (GHG) emissions. The proponents assert that Meredith is a leading magazine and book publisher and a large consumer of paper from forests and that the paper supply chain is a large contributor to GHG emissions as forests trap CO2 and paper in landfills decompose into methane. The filers cite competitors such as Scholastic, Simon & Schuster, Time Inc., Random House, and Hachette Livre UK as companies that are establishing and implementing paper procurement policies, e.g. by 2012 Scholastic and Simon & Schuster plan to purchase paper containing 25 percent recycled fiber and Scholastic plans that 30 percent of its paper purchases will be FSC-certified. We believe there is merit to the company conducting a feasibility report.</p>					
MERRILL LYNCH & CO	05-Dec-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>Bank of America is proposing to acquire Merrill Lynch in a fixed share exchange of 0.8595 of a share of the bank for each Merrill share. Since the deal was announced, four purported class actions lawsuits have been filed on behalf of Merrill stockholders. The actions allege that the members of the Merrill board breached their fiduciary duty, with three of the actions containing additional allegations that Bank of America aided and abetted the Merrill directors' breaches of fiduciary duty. The lawsuits seek, among other things, to enjoin the completion of the merger, the imposition of a constructive trust upon any benefits improperly received by the defendants, and an award of fees and expenses. Merrill believes that these class claims are without merit and intends to contest them vigorously.</p> <p>The acquisition is expected to increase the combined company's underwriting capabilities for debt and equity offerings, as well as its ability to advise on global mergers and acquisitions, making it the number one underwriter of global high yield debt, the third largest underwriter of global equity and the ninth largest adviser on global mergers and acquisitions based on pro forma first half of 2008 results. The acquisition makes long-term strategic sense and is expected to achieve \$2.4 billion in pre-tax synergies in 2009 and 2010. Since the beginning of 2008, Merrill has incurred substantial losses, and its largest peers have been acquired at a fire-sale price, declared bankrupt, or reorganized as bank holding companies. The company is unlikely to survive if the transaction does not proceed. The terms of the deal appear to be reasonable, and Merrill shareholders will have the opportunity to continue as shareholders of one of the largest U.S. diversified financial institutions. As such, we believe that this deal warrants shareholder support.</p>					
		Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments:</p> <p>This item seeks approval to amend the bylaws to grant voting rights to the holders of the two series of preferred shares. While the provision of voting rights to these classes of preferred stock will dilute the voting power of common shares, the voting power assigned to each share of the preferred shares is not unreasonably dilutive given that the preferred shares could be converted into a considerably larger number of common shares (a total of 10.2 million votes compared to a potential of 58.6 million common shares). We will not normally support any proposal that violates the principle of one share, one vote. However, this proposal contains safeguards for common shareholders because implementation will only occur if the merger is successful and there are tax benefits to all shareholders. Accordingly, we believe that this item warrants shareholder support.</p>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason	
MERRILL LYNCH & CO	05-Dec-2008	Shareholder Rights	Voting Rights	F	Meets Guidelines	
<p>Comments: Management seeks authority to adjourn the meeting if necessary or appropriate to solicit additional proxies. Since we support the merger which is the subject of this meeting, we will support this narrowly-crafted proposal to adjourn the meeting if necessary.</p>						
MICRON TECHNOLOGY, INC.	11-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines	
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness	
<p>Comments: We are withholding our vote from the two members of the Compensation Committee. The company's one- and three-fiscal year total shareholder returns (TSR) were -62.97 percent and -29.13 percent, versus 8.68 percent and 8.73 percent for the company's peer group and 5.49 percent and 8.61 percent for the S&P 500 Index, respectively. The CEO's compensation decreased a modest 3.29 percent from 2007 (\$8,594,000) to 2008 (\$8,312,000) but remains significantly higher than peers. In addition, the CEO's contract terms include change in control provisions that allow full payment in the case of an involuntary termination for cause or a voluntary resignation, although the actual amounts to be paid are not excessive. The change in control provisions for senior officers are similar. We do not believe that there is an appropriate pay for performance alignment in the compensation practices at this company.</p>						
<table border="1" style="width: 100%;"> <tr> <td style="padding: 5px;">Split Vote: Aoki, Mondry - Ratification of poor compensation policy/practice</td> </tr> </table>						Split Vote: Aoki, Mondry - Ratification of poor compensation policy/practice
Split Vote: Aoki, Mondry - Ratification of poor compensation policy/practice						
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization	
<p>Comments: The company is seeking approval to amend the 2007 Equity Incentive Plan to reserve 10,000,000 additional shares. We are not able to support this plan due to eligibility of consultants, discretionary vesting, accelerated vesting on change in control, and dilution and burns rates in excess of Guidelines.</p>						
MICROSOFT CORP	19-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines	
		Board Of Directors	Board Membership	F	Meets Guidelines	



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
MICROSOFT CORP	19-Nov-2008	Compensation	Executive Management Pay	F	Meets Guidelines
Comments:					
The company is proposing to implement a new Executive Officer Incentive Plan, which will be a 20% cash and 80% stock bonus plan with appropriate performance measures, four-year vesting, and limits on the size of the incentive pool. The plan will be administered by a board committee of independent outsiders who must certify attainment of the objective, measurable performance goals before cash awards are paid to participants. The plan overall meets our Guidelines.					
		Compensation	Director Pay	F	Meets Guidelines
Comments:					
The company is seeking shareholder approval to amend the 1999 Stock Option Plan for Non-Employee Directors to: 1) extend the plan's life until Jan. 1, 2019, and (2) increase the maximum number of shares that may be awarded to eligible non-employee directors from 10,000 to 20,000 per fiscal year. We support this proposal because the plan includes reasonable features, e.g. vesting over three years and it assists the directors to fulfill their stock ownership requirements. Each director is required own shares equal in value to a minimum of three times the base annual retainer payable to a director by no later than Feb. 28, 2011 or five years after the director has become a member of the board. The compensation received by non-employee directors is weighted 43% cash and 57% equity.					
		Shareholder Rights	Shareholder Proposal on Labour and Human Rights	A	Does not meet Guidelines for shareholder rights or value maximization
Comments:					
A large pension plan shareholder has re-submitted a resolution requesting that Microsoft institute policies to protect freedom of access to the Internet. In addition to other initiatives and internal policy development, Microsoft and other internet service providers along with human rights groups, press freedom groups and other non-governmental organizations have recently launched the Global Network Initiative designed to address many of the concerns being expressed about protecting individuals from government censorship and persecution related to internet access and usage. We are supportive of the manner in which the company is proceeding on this difficult issue.					
		Shareholder Rights	Shareholder Proposal on Labour and Human Rights	A	Does not meet Guidelines for shareholder rights or value maximization
Comments:					
A shareholder has submitted a proposal calling on the company to create a board committee responsible for human rights. Microsoft already has adopted privacy policies, human rights codes and policies, including a Code of Conduct and a Vendor Code of Conduct, which receive board scrutiny and are available to the public and is undertaking a number of other human rights related activities. Imposing a potentially costly and cumbersome board committee does not appear to be justifiable at this time.					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
MICROSOFT CORP	19-Nov-2008	Shareholder Rights	Shareholder Proposal on Customer, Community and Broad Society Responsibility	A	Does not meet Guidelines for shareholder rights or value maximization
Comments:					
A shareholder has submitted a proposal that the company disclose on its corporate website all recipients of charitable donations in excess of \$5,000. There are concerns that individuals and groups will use such a list to identify and take issue with organizations that subscribe to different moral or political philosophies. Microsoft does make significant disclosure of its many charitable initiatives, which include donations, time, and software, and it matches employee donations up to \$12,000 every year. In fiscal 2008, Microsoft's employees donated \$122 million in cash and \$376 million in software to non-profit organizations and in total the company has donated \$3.4 billion in cash since 1983. All of its corporate citizenship issues are overseen by the Governance and Nominating Committee of the board and the company also has third-party oversight from groups such as the Chronicle of Philanthropy and the Committee Encouraging Corporate Philanthropy. We do not believe that additional corporate resources should be devoted to additional disclosure at this time.					
MIPS TECHNOLOGIES	12-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
MOLEX INC	31-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Executive Management Pay	F	Meets Guidelines
Comments:					
This item seeks shareholder approval of the Molex Incorporated Annual Incentive Plan, a cash bonus plan, which will replace individual agreements. The plan includes objective performance measures and a recoupment policy that requires repayment of bonuses if bonuses are paid on results later determined to have been materially misstated or in other circumstances if fraud or misconduct caused substantial harm to the Company even in the absence of a restatement. We support plans that include such repayment requirements.					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
Comments:					
This items seeks approval of the 2008 Stock Incentive plan which will increase the number of shares currently available by 5,000,000 and consolidate three existing approved plans. We note that the plan does include a requirement to reimburse the company in the event of any accounting restatement due to material noncompliance or as a result of misconduct under the securities law whether due to negligence or knowingly. However, the plan includes several features that are not in accord with our Guidelines, including accelerated vesting on change in control provisions, general discretionary vesting provisions, and grant rate in excess of 1%.					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
MOLEX INC					
MOSAIC CO	09-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
MYRIAD GENETICS INC.					
	13-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	A	Does not meet Guidelines for director effectiveness
		Comments: The company's one-year total shareholder return was 22.4 percent but the CEO's compensation increased 100 percent over 2007, well above peers, and now amounts to 11% of the company's net income. In addition, the employment agreements with executives have a 90-day "walk away" period following the one year anniversary of a change-in-control that permit an executive to terminate employment without good reason and still receive full severance and benefits under the contract. Because we believe that the compensation arrangements are not aligned with shareholder interests, we are withholding our votes from the two directors standing for re-election who are both members of the compensation committee.			
		Capital Issues	Authorized and Issued Shares	A	Does not meet Guidelines for shareholder value maximization
		Comments: This proposal seeks shareholder approval to amend the company's certificate of incorporation to increase the number of authorized shares of common stock by 150 percent to 150,000,000 shares from 60,000,000 shares to provide the company with greater flexibility to issue shares in connection with possible acquisitions, future financings, investment opportunities, stock splits or dividends, or other general purposes. We cannot support such a high dilution to existing shareholders without a clearly defined purpose.			
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
		Comments: This item seeks approval to amend the 2003 Employee, Director and Consultant Stock Option Plan to reserve 1,500,000 additional shares. Plan features, including dilution, discretionary vesting, eligibility of consultants and burn rate, do not meet our Guidelines.			
NATIONAL CITY CORP					
	23-Dec-2008				



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
NATIONAL CITY CORP	23-Dec-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>We support the company's proposed acquisition by PNC Financial Group, particularly given the company's precarious financial condition, its scant prospects of obtaining additional capital and its limited strategic alternatives which make it unlikely that National City could have effected a transaction on more favorable terms. Shareholders will have the opportunity to receive value for their shares, whereas under a liquidation scenario, it is likely that shareholders would have lost their investment.</p>					
ORACLE CORP	10-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
<p>Comments:</p> <p>Excessive CEO compensation and lack of rationale in setting the size of his annual option grants.</p>					
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> <p>Split Vote: Berg, Garcia-Molina, Seligman - Ratification of poor compensation policy/practice</p> </div>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>The individual award potential of \$13 million per plan participant is excessive, particularly given that this incentive plan is annual and is only one component of overall executive compensation.</p>					
		Shareholder Rights	Shareholder Proposal on Shareholder Accountability	F	Meets Guidelines
<p>Comments:</p> <p>This shareholder proposal is asking the company to adopt a policy giving shareholders the opportunity at each annual meeting of shareholders to vote on an advisory resolution to ratify the compensation of the named executive officers. We support this "say on pay" request at this company, particularly given our votes in items one and two.</p>					
Orleans Homebuilders Inc.	04-Dec-2008	Board Of Directors	Board Membership	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
Orleans Homebuilders Inc.	04-Dec-2008	Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>We are voting against the proposal to amend and restate the Stock Award Plan to reserve 600,000 additional shares because of high dilution, high burn rate, accelerated vesting on change in control and other features of the plan.</p>					
OSI SYSTEMS, INC.	08-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
<p>Comments:</p> <p>We are withholding votes from the two members of the compensation committee. The CEO's total compensation increased 141% this year against a peer average decrease of just over 9.36%. CEO compensation is now 23% of the company's total net income. In addition, total shareholder return was -21.68% against peer average of -10.38%. Neither the company's performance nor peer competitiveness warranted such a significant increase in CEO compensation this year.</p>					
<div style="border: 1px solid black; padding: 5px;"> <p>Split Vote: Good, Luskin - Ratification of poor compensation policy/practice</p> </div>					
		Compensation	Employee Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>We are voting against the proposed 2008 Employee Stock Purchase Plan because slightly over 8% of the company's shares will be allocated to the plan, in excess of our Guidelines limit of 5%, and employees will be able to purchase shares at a 15% discount to market price, while our maximum is 10%.</p>					
PALL CORP.	19-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
<p>Comments:</p> <p>The auditors have been in place for 20 years, a tenure we generally believe can lead to the impairment of auditor objectivity and independence. This is particularly of concern at this company given the Audit Committee investigation into tax compliance issues and the restatement of prior period financial restatements. We cannot support the appointment of the auditors in these circumstances.</p>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
PALL CORP.	19-Nov-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>We are withholding votes from the returning members of the company's Audit Committee for lack of adequate management oversight. The Committee completed an inquiry into the understatement of tax payments in January 2008 and before the Committee review was complete, the company deposited \$135 million with the IRS. The company recently restated prior period financial statements, four class action lawsuits have been filed against the company and certain members of its management team alleging violations of the federal securities laws relating to the tax payments issue and other lawsuits have been filed also.</p>					
<div style="border: 1px solid black; padding: 2px;"> Split Vote: Plourde, Travaglianti - Other </div>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>We are voting against the proposal to amend the Management Stock Purchase Plan to reserve 1,000,000 additional shares because of its features including burn rate, time-based vesting and change in control accelerated vesting.</p>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>We are voting against this proposal to amend 2005 Stock Compensation Plan to reserve 1,000,000 additional shares and to provide directors annual award units equivalent to \$120,000 because of plan features including dilution, discretionary vesting and accelerated vesting on change in control.</p>					
PALM INC	01-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>One director is a public company CEO and serves on 5 boards including this company board.</p>					
<div style="border: 1px solid black; padding: 2px;"> Split Vote: Mercer - Overboarding </div>					
PARKER HANNIFIN CORP	22-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
PARKER HANNIFIN CORP	22-Oct-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments: Last year, the CEO total pay package was valued at more than \$13 million, approximately 40 percent above the 2008 peer group median pay. Yet the company's total shareholder return over one, three and five year periods lags its peers - in fact, there is no metric that indicates operational or financial outperformance. We are withholding votes from returning members of the compensation committee for ratifying the CEO pay for performance disconnect at the company.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto; margin-right: auto;"> <p>Split Vote: Kassling, Scaminace - Ratification of poor compensation policy/practice</p> </div>					
PAYCHEX INC	07-Oct-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
<p>Comments: The audit firm has been in place for 25 years. While there is no suggestion of wrongdoing or poor quality work, such a long tenure can lead to the perception that the independence of the auditors has been compromised.</p>					
		Board Of Directors	Board Membership	F	Meets Guidelines
<p>Comments: A substantial majority of the board members are independent outsiders. The key board committees include no insiders or affiliated outsiders.</p>					
PNC FINL SVCS GRP	23-Dec-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments: We support the economic and strategic rationale for the company's proposed acquisition of National City.</p>					
PROCTER & GAMBLE CO	14-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason	
PROCTER & GAMBLE CO	14-Oct-2008	Board Of Directors	Board Structure / Process	F	Meets Guidelines	
		Comments: We commend the company for seeking to adopt a majority-vote standard for the election of directors.				
		Shareholder Rights	Shareholder Proposal on Shareholder Accountability	A	Does not meet Guidelines for shareholder rights or value maximization	
Comments: A shareholder has submitted a proposal requesting that the board take the necessary steps to rotate the location of the company's annual meeting between Cincinnati, New York, Chicago, L.A., Dallas, Miami and other major cities where there is a large concentration of shareholders. The largest concentration of shareholders is in Cincinnati which is where the AGM is routinely held. We oppose this request as there is no indication that the current meeting location disenfranchises shareholders.						
PROCTER & GAMBLE CO	14-Oct-2008	Shareholder Rights	Shareholder Proposal on Shareholder Accountability	F	Meets Guidelines	
		Comments: A shareholder has submitted this proposal requesting that the board adopt a policy giving shareholders the opportunity at each annual meeting of shareholders to vote on an advisory resolution to ratify the compensation of the named executive officers. We support this request for the principle of increased shareholder communication.				
QUIXOTE CORP.	13-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines	
		Board Of Directors	Board Membership	F	Meets Guidelines	
REGIS CORPORATION	23-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines	
		Board Of Directors	Board Membership	F	Meets Guidelines	
		Shareholder Rights	Voting Rights	A	Does not meet Guidelines for exercise of voting rights	
Comments: This is a routine item to allow shareholders to raise other issues and discuss them at the meeting. However, because shareholders not in attendance lose their ability to have meaningful input on such issues, we do not support these items.						



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
ROHM & HAAS CO	29-Oct-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
		Comments: Shareholders are being asked to approve a transaction which will result in the company becoming a wholly-owned subsidiary of Dow Chemical. The \$78.00 per share offer price represents a substantial cash premium to market value with a one- and 60-day premium of approximately 74 percent and 43 percent, respectively as well as a 27 percent premium over the company's all-time high of \$61.27 per share. The final offer is the result of a competitive bidding process and multiple bids. We support this transaction.			
		Shareholder Rights	Voting Rights	F	Meets Guidelines
Comments: Enable management to adjourn meeting to solicit additional proxies in favour of acquisition by Dow Chemical, if necessary.					
SARA LEE CORP	30-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
Comments: Withholding votes from the five members of the Compensation Committee. The company's one- and three-fiscal year total shareholder returns were -27.59 percent and -7.76 percent, representing significant underperformance relative to peers and the S&P 500 Index. Nevertheless, the Chair and CEO's total compensation increased to approximately \$10.6 million, up approximately 21 percent from 2007 and significantly higher than the peer median of \$8.5 million.					
<div style="border: 1px solid black; padding: 5px;"> Split Vote: Colbert, Crown, Sorensen, Lede, Ward - Ratification of poor compensation policy/practice </div>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
Comments: This item seeks re-approval of the material terms of performance goals used for performance-based awards granted under the 1998 Long-Term Incentive Stock Plan and the 2002 Long-Term Incentive Stock Plan to preserve the company's ability to receive tax deductions under the Internal Revenue Code. The plans contain several features that are not in accord with our Guidelines and we originally voted against the 2002 Plan. We are voting against this proposal as well.					
SEAGATE TECHNOLOGY	30-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines



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Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
SEAGATE TECHNOLOGY	30-Oct-2008	Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Executive Management Pay	F	Meets Guidelines
		Comments: Amendments to the Executive Officer Performance Bonus Plan (formerly the Annual Incentive Bonus Plan), a cash bonus plan.			
SPORT SUPPLY GROUP	20-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
SUN MICROSYSTEM INC	05-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
		Comments: 26 year tenure can compromise auditor independence.			
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Employee Pay	A	Does not meet Guidelines for shareholder value maximzation
Comments: Dilution					
		Shareholder Rights	Company Operations	F	Meets Guidelines
Comments: This proposal by management seeks shareholder approval to amend the certificate of incorporation and bylaws to reduce the vote required to a simple majority of outstanding shares from 75 percent of the outstanding shares. We agree with this amendment, believing that a simple majority of voting shares should be sufficient to effect changes in a company's corporate governance. Requiring more than a simple majority may permit management to entrench itself by blocking amendments that are in shareholders' best interests.					



Vote Summary

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Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
SUN MICROSYSTEM INC	05-Nov-2008	Shareholder Rights	Shareholder Proposal on Shareholder Accountability	A	Does not meet Guidelines for shareholder rights or value maximization
		<p>Comments:</p> <p>A shareholder is requesting that the board seek shareholder approval of any current or future poison pills. As the company already has such a policy in place, we do not believe that this proposal is warranted.</p>			
SYNAPTICS INC.	21-Oct-2008	Shareholder Rights	Shareholder Proposal on Customer, Community and Broad Society Responsibility	A	Does not meet Guidelines for shareholder rights or value maximization
		<p>Comments:</p> <p>A Sun Microsystems shareholder has filed a proposal requesting the company amend its bylaws to establish a board committee on human rights. We note that the company's Corporate Governance and Nominating Committee is already responsible for board oversight of its corporate responsibility initiatives so we question the utility of this request.</p>			
SYNAPTICS INC.	21-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Split Vote: Sanquini - Ratification of poor compensation policy/practice </div>					
SYNOVUS FINL CORP	17-Dec-2008	Capital Issues	Authorized and Issued Shares	A	Does not meet Guidelines for shareholder value maximization
<p>Comments:</p> <p>This item seeks shareholder approval to amend the company's articles of incorporation to authorize the issuance of 100 million shares of blank check preferred stock. The company's articles of incorporation do not currently authorize the issuance of preferred stock. The company intends to sell preferred stock to the US Treasury under the Treasury's Capital Purchase Program (CPP) but intends that other future issuances will be at the discretion of the board without seeking additional shareholder approval of the material terms of such future issuance, including equity, conversion and voting rights. The company expects to issue 973,350 shares of non-convertible preferred stock, less than 1 percent of the share authorization being requested, for an aggregate purchase price of \$973 million to the Treasury. The Treasury will also receive warrants to purchase a number of shares of the company's common stock. The company considers the CPP to be one of the most cost effective methods for any financial institution to further strengthen its capital base. We do not disagree and would have supported the issuance of preferred shares for that limited purpose. However, the authorization being requested goes far beyond that and shareholders will not have any future ability to vote on preferred share issues, other than management's stated intention not to use preferred share issues as a takeover defence without shareholder approval. We believe in "one vote/one share" and do not support multiple classes of shares unless they are implemented for limited and sound business purposes. We cannot support management on this proposal.</p>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
SYNOVUS FINL CORP	17-Dec-2008	Shareholder Rights	Company Operations	A	Does not meet Guidelines for shareholder rights or value maximization
Comments:					
The company is asking for approval to amend the bylaws to enable the board to establish the size of the board within a range of no fewer than eight and no more than twenty-five members. The previous maximum was sixty. The change is related to the ability of the Treasury to appoint up to two directors in certain circumstances under the terms and conditions applicable to the CPP. As there are currently eighteen board members, two additional appointments can be easily accommodated. However, the proposed bylaw amendment would permanently eliminate the authority currently vested in the common shareholders to establish the size of the board. Although we do not have an issue with the proposed new size range, we do not believe that there is any good reason to take away shareholder authority in this matter on a permanent basis.					
SYSCO CORP	19-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Board Of Directors	Board Structure / Process	F	Meets Guidelines
Comments:					
This shareholder resolution seeks to have the board changed from a classified structure where only some of the directors stand for election each year to one in which all directors stand for election each year. Classified or staggered boards make it difficult for shareholders to replace individual directors during periods of deteriorating company or board performance. They also function as an anti-takeover defence, particularly when coupled with a poison pill, by forcing unsolicited bidders to win two board elections in order to gain control of the company. Academic studies have shown that classified boards are associated with poorer financial returns to shareholders, including takeover scenarios. As the ability to elect directors is the single most important right of shareholders, we strongly support annual election of directors.					
		Compensation	Executive Management Pay	F	Meets Guidelines
Comments:					
The company has submitted the 2008 Cash Performance Unit Plan, a cash bonus plan, for approval by shareholders. The plan includes appropriate performance measures and is administered by the independent Compensation Committee of the board.					
TECHNE CORP	23-Oct-2008	Board Of Directors	Board Membership	F	Meets Guidelines



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Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
TECHNE CORP	23-Oct-2008	Board Of Directors	Board Structure / Process	F	Meets Guidelines
<p>Comments:</p> <p>This proposal seeks approval to fix the number of directors at eight. The board currently consists of eight directors, including one insider and seven independent outsiders. Fixing the size of the board prevents management from adding new seats in the face of a proxy contest, making it more difficult for dissidents to gain control of the board. It also prevents management from reducing the board's size in order to oust independent directors or those who cause friction within an otherwise homogenous board. We believe that the proposed change is minor and is not motivated by a desire to entrench management.</p>					
THE MARCUS CORPORATION	07-Oct-2008	Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<p>Comments:</p> <p>We are withholding votes from the insiders and affiliated outsiders. Only half of the members of the board are independent and two of the nominees, Stephen H. Marcus and Diane Marcus Gershowitz beneficially own 36.7% and 36.6%, respectively, of the voting stock. In addition, an affiliated outsider sits on the Nominating Committee. Key board committees should include only independent outsiders. Finally, the average director tenure for this board is 16 years. Boards with limited turnover may lack new perspectives that can add value to the boardroom and may become less independent from management and less willing to act as advocates for all shareholders. New board members may be more valuable at this time given the steady decline in performance over the past five years (-24.89% - 1 year; 5.27% - 3 year; 13.84% - 5 year returns) and poor performance relative to peers.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Split Vote: Stephen H. Marcus, Bruce J. Olson, Gregory S. Marc - Independence of Directors Allan H. Selig - Failure to Establish an Independent Nominating Com</p> </div>					
TRANSOCEAN INC	08-Dec-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>The company is proposing a restructuring to relocate from the Cayman Islands to Switzerland. On balance, shareholder rights would improve. In particular, the board of directors will be required to obtain shareholder approval for several actions for which no shareholder approval is required under the current articles of association, including the authority to issue a new class of shares, the authority to repurchase shares above the threshold of 10 percent of share capital, the ability to replace a director on the board, or to create a new directorship. Under the company's new regulatory framework, shareholders will be given more rights, by way of being able to call a special meeting, less restrictions on the ability to nominate directors and add items on the agenda, and less restrictions on the ability to remove directors. The new company will have a two-year authority to issue shares without preemptive rights of up to 50 percent of the company's share capital, which may be used for anti-takeover purposes. However, this authority is more limited than the company's current to use anti-takeover defenses. On balance, the corporate governance environment in Switzerland is more favorable to shareholders than in the Cayman Islands and the reincorporation is intended to and expected to have a positive impact on the financial health and the competitive position of the company. As such, this proposal merits shareholder support.</p>					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
TRANSOCEAN INC	08-Dec-2008	Shareholder Rights	Voting Rights	F	Meets Guidelines
Comments: The company seeks authority to adjourn the meeting if necessary to obtain additional proxies in support of the restructuring transaction. As we are supportive of the company's restructuring, we support the limited authority granted by this motion.					
TRUE RELIGION APPAREL	02-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
<div style="border: 1px solid black; padding: 2px; display: inline-block;"> Split Vote: Graziadio - Overboarding </div>					
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
Comments: The proposed annual cash bonus plan could provide for excessive individual bonus amounts per participating executive (up to \$8 million per year per participant). This is only one component of the company's executive compensation plan.					
UNITED NATURAL FOODS INC	12-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
Comments: The company seeks shareholder approval to amend the 2004 Equity Incentive Plan to reserve 1,500,000 additional shares and re-approve performance criteria. We are unable to support this plan because its features include eligibility of consultants and advisors, discretionary vesting, accelerated vesting on change in control and dilution in excess of Guidelines.					



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

Company Name	Meeting Date	Category	Sub Category	Vote Cast	Reason
UNITED NATURAL FOODS INC	12-Dec-2008	Shareholder Rights	Shareholder Proposal on Labour and Human Rights	F	Meets Guidelines
<p>Comments:</p> <p>A shareholder has submitted a proposal requesting the company commit to adopt a code of vendor conduct based on the International Labor Organization (ILO) Conventions, establish an independent monitoring process that assesses these standards, and prepare an annual report by June 2009 at a reasonable cost, omitting proprietary information, on adherence to the proposed supplier code. The company appears to have developed policies that address a number of common sustainability issues; however, these policies do not appear to significantly address vendor standards or a supply chain human rights sustainability risk assessment. It has implemented a business code of ethics and a supplier code but the existing disclosure does not provide significant insight into any internationally recognized human rights policies the company may have adopted or the implementation and/or monitoring of such human rights-related performance metrics in its supply chain. Implementation and disclosure of some form of monitoring mechanism, whether internal or external, is common at companies exposed to higher levels of risk due operations in industries or markets with a history of human rights violations, controversies, and/or related litigation. As the company has operations in 40 countries, it may be at risk even though there do not seem to have been any recent, significant human rights controversies. We believe that providing increased disclosure to shareholders on workplace human rights policies and disclosing compliance and performance related to such policies could assist the company in mitigating human rights risks without significant cost or burden. As such, this resolution merits shareholder support.</p>					
UST INC	03-Dec-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
<p>Comments:</p> <p>The purpose of the meeting is to obtain shareholder approval for the acquisition of UST Inc. by Altria Group Ltd. Based on our review of the terms of the transaction, the premium to shareholders and the positive market reaction, we believe that the merger agreement warrants shareholder support.</p>					
		Shareholder Rights	Voting Rights	F	Meets Guidelines
<p>Comments:</p> <p>Management seeks approval to adjourn the meeting to solicit additional proxies if necessary. Because we support the proposed takeover by Altria Group, we support this motion.</p>					
VAIL RESORTS INC.	05-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines



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Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
VAIL RESORTS INC.	05-Dec-2008	Compensation	Executive Management Pay	F	Meets Guidelines
Comments:					
This proposal is seeking shareholder approval of the material terms for the payment of incentive compensation to the company's most highly compensated executive officers under the company's incentive plans. Payment of performance-based compensation to an executive officer will be contingent upon the attainment by the company of one or more objective performance goals (which may be stated as alternative goals) established in writing by the Compensation Committee for each performance period. Once the funding level is determined based on these performance goals, individual awards are determined based upon the individual's level of attainment of individual performance goals but cannot exceed maximum levels set by the Committee. We support this proposal because the company's compensation levels overall are well below peers, the performance targets are appropriate and the residual discretion of the Committee is limited to reducing awards even if performance goals are met.					
		Shareholder Rights	Voting Rights	A	Does not meet Guidelines for exercise of voting rights
Comments:					
This is a routine item to allow shareholders to raise other issues and discuss them at the meeting. Only issues that may be legally discussed at meetings may be raised under this authority. As we cannot know the content of these issues, we will not support this request.					
VECTOR INTERSECT SECURITY ACQUISITION CO.	19-Dec-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
Comments:					
Vector is a Special Purpose Acquisition Corporation (SPAC) formed for the purpose of acquiring a business in the security industry, which it must complete no later than May 2009 under the terms of its incorporation. Shareholders who bought their shares during the company's initial public offering (IPO) have conversion rights valued at approximately \$8.00 per share. The company has reached a deal to purchase Cyalume Technologies Inc. in a cash and stock transaction and has agreed to use its best efforts to liquidate the company if the transaction with Cyalume is not consummated by December 31, 2008. Vector obtained a fairness opinion and market response has been neutral to slightly positive. After consultation with our external manager, we are voting in favour of this acquisition. We are also voting in favour of the companion resolution indicating that we will not exercise the conversion rights to redeem our shares for cash.					
		Shareholder Rights	Company Operations	F	Meets Guidelines
Comments:					
Shareholders are asked to approve amendments to the bylaws to change the company name as a result of the merger and change procedural provisions. Since we are voting in favour of the transaction, we are voting for these items.					
		Shareholder Rights	Voting Rights	F	Meets Guidelines
Comments:					
Management is seeking the ability to adjourn the meeting to obtain additional proxies in favour of the business of the meeting. Since we are supportive of the acquisition transaction and the related agenda items, we are voting in support of this narrowly framed request.					



Vote Summary

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Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
VERIFONE HOLDINGS INC	08-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Capital Issues Comments: Shares are required for warrant conversion	Authorized and Issued Shares	F	Meets Guidelines
		Compensation Comments: Burn rate, dilution, lack of performance metrics, participation by consultants	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
VIASAT, INC.	02-Oct-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	S	Does not meet Guidelines for director effectiveness
		Compensation Comments: Dilution, participation by consultants	Executive Management Pay	A	Does not meet Guidelines for shareholder value maximization
Split Vote: Targoff - Overboarding					
VISA INC.	14-Oct-2008				



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
VISA INC.	14-Oct-2008	Shareholder Rights	Company Operations	F	Meets Guidelines
		Comments: This proposal is to amend the articles of incorporation to provide for annual elections of directors instead of the classified or staggered board structure now in place and to amend other provisions to align dates with the timing of the annual general meeting instead of the completion date of the company's Initial Public Offering. Though we would normally vote against a package of amendments bundled into a single resolution, we are voting in favour of this resolution. We are strongly supportive of individual annual elections of directors and the other amendments do not infringe on shareholders' rights.			
	16-Dec-2008	Shareholder Rights	Company Operations	F	Meets Guidelines
		Comments: The board seeks shareholder approval to amend and restate the company's current certificate of incorporation to allow for greater flexibility in funding the company's retrospective responsibility plan (RRP), to remove obsolete provisions, to modify the standards of independence applicable to directors, and to make other clarifying modifications to the certificate. The RRP is an escrow fund from which legal settlements are paid via share issuances and the amendments will enable the company to use other financing means, including share repurchases, for the account and should minimize inefficiencies and transaction costs for the company. The changes to the independence standards of directors are minor and all of the company's independent directors will continue to be subject to the independence standards of the New York Stock Exchange.			
WACHOVIA CORP	23-Dec-2008	Company Acquisition, Merger or Restructure	Merger & Acquisitions	F	Meets Guidelines
		Comments: We support the company's proposed acquisition by Wells Fargo based on the reasonable valuation, the favorable market reaction, and the high downside risk to the share price should the bank fail.			
WESTERN DIGITAL CORP.	06-Nov-2008	Audit Process	Appointment of Auditors	A	Does not meet Guidelines for auditor effectiveness
		Comments: 37 year tenure can compromise auditor independence			
		Board Of Directors	Board Membership	F	Meets Guidelines



Vote Summary

Meeting Date - From: 01-Oct-2008 To: 31-Dec-2008

Country: United States

CompanyName	Meeting Date	Category	Sub Category	Vote Cast	Reason
WESTERN DIGITAL CORP.	06-Nov-2008	Compensation	Employee Pay	A	Does not meet Guidelines for shareholder value maximzation
Comments: Stock purchase price discount and dilution exceed Guidelines.					
WINN DIXIE STORES	05-Nov-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Employee Pay	F	Meets Guidelines
WMS INDUSTRIES INC	11-Dec-2008	Audit Process	Appointment of Auditors	F	Meets Guidelines
		Board Of Directors	Board Membership	F	Meets Guidelines
		Compensation	Employee Pay	A	Does not meet Guidelines for shareholder value maximzation
Comments: We are voting against the company's Employee Stock Purchase Plan. While the plan is open to all employees and most plan features are reasonable, the employees are able to purchase stock at a 15% discount to market prices, which we believe is excessive.					