DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-3010

January 11, 2008

R.W. Smith, Jr.
DLA Piper US LLP
6225 Smith Avenue
Baltimore, MD 21209-3600

Re: The Ryland Group, Inc.
Incoming letter dated December 17, 2007

Dear Mr. Smith:

This is in response to your letters dated December 17, 2007 and January 4, 2008 concerning the shareholder proposal submitted to Ryland by Amalgamated Bank LongView MidCap 400 Index Fund. We also have received a letter on the proponent's behalf dated December 28, 2007. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Jonathan A. Ingram
Deputy Chief Counsel

Enclosures

cc: Cornish F. Hitchcock
Attorney at Law
1200 G Street, NW
Suite 800
Washington, DC 20005

January 11, 2008

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: The Ryland Group, Inc.
Incoming letter dated December 17, 2007

The proposal requests that the board establish a compliance committee, to be composed of independent directors, that would conduct a thorough review of the company's regulatory, litigation and compliance risks with respect to its mortgage lending operations and would report to shareholders its findings and recommendations, as well as the progress made towards implementing those recommendations.

There appears to be some basis for your view that Ryland may exclude the proposal under rule 14a-8(i)(7), as relating to Ryland's ordinary business operations (i.e., evaluation of risk). Accordingly, we will not recommend enforcement action to the Commission if Ryland omits the proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Eduardo Aleman
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VIA UPS

December 17, 2007

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Omission of Shareholder Proposal Submitted by Amalgamated Bank LongView MidCap 400 Index Fund to The Ryland Group, Inc.

Ladies and Gentlemen:

We are counsel to The Ryland Group, Inc. ("Ryland" or the "Company") and, on behalf of Ryland, we respectfully request that the staff of the Division of Corporation Finance (the "Staff") concur that it will not recommend enforcement action if Ryland omits a shareholder proposal and supporting statement (the "Proposal") submitted by Amalgamated Bank LongView MidCap 400 Index Fund (the "Proponent"). The Proponent seeks to include the Proposal in Ryland's proxy materials for the 2008 annual meeting of shareholders. The Proposal requests that Ryland's Board of Directors establish a compliance committee to review regulatory, litigation and compliance risks with respect to the Company's mortgage lending operations.

On November 13, 2007, Ryland received the Proponent's Proposal. Pursuant to Rule 14a-8(j), Ryland is submitting six paper copies of the Proposal and an explanation as to why Ryland believes that it may exclude the Proposal. For your review, we have attached a copy of the entire Proposal and related correspondence as Appendix A. Ryland appreciates the Staff's consideration and time spent reviewing this no action request.

The resolution of the Proposal reads as follows:

RESOLVED: The shareholders of The Ryland Group, Inc. (the "Company") request that the board of directors establish a new Compliance Committee, to be composed of independent directors, that would conduct a thorough review of the

Company's regulatory, litigation and compliance risks with respect to its mortgage lending operations and report to shareholders within six months of the 2008 annual meeting as to the committee's findings and recommendations, as well as the progress made towards implementing those recommendations. This report should be prepared at reasonable cost and may omit confidential information.

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates to Ordinary Business Matters

Under Rule 14a-8(i)(7) of the Exchange Act, a shareholder proposal may be omitted from a company's proxy statement if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission explained that the general underlying policy of the ordinary business exclusion is to confine the resolution of ordinary business problems to management and the board of directors. The Commission went on to say that the ordinary business exclusion rests on "two central considerations." The first consideration is the subject matter of the proposal. The 1998 Release provides that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration is the degree to which the proposal attempts to "micro-manage" the company by "probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." For the reasons set forth below, the Proposal falls within the parameters of the ordinary business exception contained in Rule 14a-8(i)(7) and, therefore, the Company may exclude the Proposal on that basis.

With regard to the first consideration noted above, the fundamental task at issue is that of monitoring the Company's business practices to ensure compliance with applicable laws, rules and regulations. The housing industry and mortgage lending operations are heavily regulated and concerns relating to regulation and compliance are central to the Company's core competencies as well as its day-to-day operations. In fact, the Company's ability develop land and originate mortgage loans requires an extensive understanding of the applicable national, state and municipal regulations. For these reasons, the Company believes that compliance with laws, rules and regulations and monitoring business practices to ensure such compliance is "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight."

The Proposal also seeks to micro-manage complex company matters because it seeks to prescribe the manner by which the Company monitors its compliance with applicable laws, rules and regulations. As part of its ordinary day-to-day business, the Company's management, at the direction and oversight of the Board, determines the appropriate means for achieving the Board's and management's compliance monitoring functions. The Board provides this direction and

oversight primarily through its Audit Committee, which is comprised of at least 3 directors, all of whom meet the independence requirements of the New York Stock Exchange and the Securities and Exchange Commission. Under its charter, the Audit Committee is charged with oversight responsibility of the Company's compliance with legal and regulatory requirements. The Audit Committee charter permits the Audit Committee to retain outside advisors in connection with the performance of its duties. Accordingly, the Company and its Board clearly have decided how to best manage compliance related matters; the Proposal is an attempt to substitute this Proponent's view on how to best oversee and conduct this ordinary course of business activity.

Furthermore, in Exchange Act Release No. 34-20091 (August 16, 1983) (the "1983 Release"), the Commission specifically addressed the issue of the excludability under Rule 14a-8(i)(7) of proposals requesting the formation of special committees to study matters that relate to a company's ordinary business operations. Paragraph 5 of the 1983 Release states:

> In the past, the staff has taken the position that proposals requesting issuers to prepare reports on specific aspects of their business or to form special committees to study a segment of their business would not be excludable under [Rule 14a-8(i)(7)]. Because this interpretation raises form over substance and renders [paragraph (i)(7)] largely a nullity, the Commission has determined to adopt the interpretive change set forth in the Proposing Release. Henceforth, the staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under [Rule 14a-8(i)(7)].

Consistent with this determination, the Staff has declined to recommend enforcement action against companies that omitted shareholder proposals requesting that the board of directors undertake actions to ensure compliance with legal requirements related to ordinary business operations. For instance, in Monsanto Company (November 3, 2005), a shareholder proposal called for the board of directors to create an ethics oversight committee of independent directors for the purpose of monitoring the company's domestic and international business practices to ensure compliance with the company's code of business conduct and applicable laws, rules and regulations of federal, state, provincial and local governments, including the Foreign Corrupt Practices Act. The Staff in Monsanto granted the company no-action relief in omitting the proposal from its proxy statement under the ordinary business exception because the proposal related to the general conduct of a legal compliance program. See also, Ford Motor Co. (March 19, 2007) (excluding a proposal seeking the appointment of an independent legal advisory commission to investigate alleged securities law violations); AES Corp. (January 9, 2007) (excluding a proposal requesting the formation of an ethics oversight committee to monitor the company's business practices to ensure compliance with applicable laws, rules and regulations of the federal, state and local governments and the company's code of ethics); Humana Inc. (February 25, 1998) (excluding a proposal urging the company to appoint a

committee of outside directors to oversee the company's corporate anti-fraud compliance program); Crown Central Petroleum Corp. (February 19, 1997) (excluding a proposal requesting that the board investigate whether the company and its franchisees were in compliance with applicable laws regarding sales of cigarettes to minors).

Based upon the precedent established in the Staff's no action letters set forth above and the facts provided by the Company in this letter, Ryland believes that the Proposal may be excluded from the Company's proxy materials pursuant to Rule 14a-8(i)(7) because it involves the general conduct of a legal compliance program.

Conclusion

For the reasons contained in this letter and based on the authorities cited herein, Ryland believes that the Proposal may properly be omitted from its proxy materials under Rule 14a-8(i)(7) because the Proposal deals with a matter that relates to the Company's ordinary business operations. Accordingly, the Company respectfully requests the Staff's concurrence that the Proposal may be omitted and that it will not recommend enforcement action if the Proposal is excluded from the Company's 2008 proxy materials.

Staff's Use of Facsimile Numbers for Response

Pursuant to Staff Legal Bulletin 14C, in order to facilitate transmission of the Staff's response to our request during the highest volume period of the shareholder proposal season, our facsimile number is (410) 580-3001 and the Proponent's facsimile number is (202) 315-3552. Further, in appreciation of the Staff's work during the height of the proxy season, we have included photocopies of all no-action letters cited in this no action request as Appendix B.

If you have any questions or need any additional information, please contact the undersigned. We appreciate your attention to this request.

Sincerely,

R.W. Smith, Jr.
DLA PIPER US LLP

cc: Cornish F. Hitchcock
1200 G Street, NW, Suite 800
Washington, DC 20005
Fax: (202) 315-3552

APPENDIX A

CORNISH F. HITCHCOCK
ATTORNEY AT LAW
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WASHINGTON, D.C. 20005
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CONH@HITCHLAW.COM

9 November 2007

Mr. Timothy J. Geckle
Corporate Secretary
The Ryland Group, Inc.
24015 Park Sorrento, Suite 400
Calabasas, California 91302

By UPS

Re: Shareholder proposal for 2008 annual meeting

Dear Mr. Geckle:

On behalf of the Amalgamated Bank LongView MidCap 400 Index Fund (the "Fund") I submit the enclosed shareholder proposal for inclusion in the proxy statement that The Ryland Group, Inc. (the "Company") plans to circulate to shareholders in anticipation of the 2008 annual meeting. The proposal is being submitted under SEC Rule 14a-8 and relates to the Company's board committee practices.

The Fund is an S&P MidCap 400 index fund located at 275 Seventh Avenue, New York, N.Y. 10001. The Fund has beneficially owned more than $2000 worth of the Company's common stock for more than a year. A letter confirming ownership is being submitted under separate cover. The Fund plans to continue ownership through the date of the 2008 annual meeting, which a representative plans to attend.

We would be pleased to discuss with you the issues presented by this proposal. Please do not hesitate to contact me if there is anything further that I can provide.

Very truly yours,

Cornish F. Hitchcock

RESOLVED: The shareholders of The Ryland Group, Inc. (the "Company") request that the board of directors establish a new Compliance Committee, to be composed of independent directors, that would conduct a thorough review of the Company's regulatory, litigation and compliance risks with respect to its mortgage lending operations and report to shareholders within six months of the 2008 annual meeting as to the committee's findings and recommendations, as well as the progress made towards implementing those recommendations. This report should be prepared at reasonable cost and may omit confidential information.

SUPPORTING STATEMENT

The recent turmoil in the housing and mortgage markets has wiped out billions of dollars in shareholder value at housing-related companies. During the first ten months of 2007, Ryland Group stock lost approximately half its value.

In its August 13, 2007 issue, BUSINESS WEEK suggested that improper business practices among the nation's largest homebuilders – particularly within their mortgage or financing affiliates – may have contributed to the recent collapse of the mortgage and housing markets. A specific concern is the conflict of interest that may occur if a home builder's mortgage affiliate issues mortgages to home buyers who may not be able to repay their obligations.

Concerns about housing financing practices have prompted calls for more regulatory and legislative action, as well as litigation. Reports in the news media indicate an increased interest by state and federal regulators in enforcing existing laws affecting home builders and mortgage originators, with a possibility of new regulations. In addition, some Members of Congress have indicated an interest in imposing a fiduciary obligation on originators and possibly placing non-bank lenders under federal oversight. At the state level, legislatures in a number of states are considering measures that target deceptive lending, foreclosure or fraud.

Litigation is also pending under the Real Estate Settlement Procedures Act, the Truth in Lending Act, and the Home Ownership Equity Protection Act, as well as state anti-predatory lending statues.

In October 2007 Ryland Group paid $84,000 to settle a federal investigation into whether the Company had accepted rebates from insurers for referrals when selling homes. The Company denied any wrongdoing.

As shareholders, we are concerned about the damage to long-term shareholder value that can result from litigation, regulatory costs and reputational injury at companies that lack adequate compliance procedures and active oversight by the

board. Although the board currently has an Audit Committee, that committee's focus is on financial reporting. Given the current public scrutiny of homebuilders and their business practices, we believe that it is important for a new board committee to undertake a thorough investigation of the Company's practices in this area and to avoid or mitigate any conflicts that might arise.

We urge you to vote FOR this proposal.

CORNISH F. HITCHCOCK
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28 December 2007

Office of the Chief Counsel
Division of Corporation Finance
Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549

By courier and e-mail (cfletters@sec.gov)

Dear Counsel:

I write on behalf of Amalgamated Bank LongView MidCap 400 Index Fund (the "Fund") in response to the letter from counsel for The Ryland Group, Inc. ("Ryland" or the "Company") dated 17 December 2007. In that letter the Company requests that the Division grant no-action relief with respect to a shareholder proposal submitted by the Fund that deals with establishing a Compliance Committee on Ryland's Board of Directors. For the reasons set forth below, the Fund submits that the Company has not carried its burden with respect to establishing that the Fund's proposal may be excluded from the Company's proxy materials.

The Fund's Proposal.

The Fund requests that the Company "establish a Compliance Committee, to be composed of independent directors, that would conduct a thorough review of the Company's regulatory, litigation and compliance risks with respect to its mortgage lending operations and report to shareholders within six months of the 2008 annual meeting as to the committee's findings and recommendations, as well as the progress made towards implementing those recommendations." The resolution adds that the report should be prepared at reasonable cost and may omit confidential information.

The Supporting Statement cites the recent turmoil in the housing and mortgage markets and how that has had a negative effect on Ryland stock, as well as others in the industry, with the Company's stock price having lost approximately half its value in the first ten months of 2007.

The Supporting Statement cites a report in BUSINESS WEEK suggesting that

some aggressive business practices among the nation's largest homebuilders – particularly within their mortgage or financing affiliates – may have contributed to the recent collapse of the mortgage and housing markets. Concerns center on the conflict of interest that may occur if a home builder's mortgage affiliate issues mortgages to home buyers who may not be able to repay their obligations.

The Supporting Statement cites as well the growing demand for legislative and regulatory action at both the federal and state levels that could increase legal obligations on loan originators, as well as crack down on deceptive lending, foreclosure or fraud. This is in addition to the threats of litigation under current laws affecting home buildings under the Real Estate Settlement Procedures Act, the Truth in Lending Act, and the Home Ownership Equity Protection Act, as well as state anti-predatory lending statues.

This concern is far from theoretical. In October 2007 Ryland (while denying any wrongdoing) paid $84,000 to settle a federal investigation into whether the Company had accepted rebates from insurers for referrals when selling homes.

The Supporting Statement expresses concern about the damage to long-term shareholder value that can result from litigation, regulatory costs and reputational injury at companies that lack adequate compliance procedures and active oversight by the board. Thus, the proposal urges an investigation of the Company's practices in this area and efforts to mitigate any potential conflicts that might be disclosed.

The "Ordinary Business" Exclusion.

1. The Applicable Standard.

Ryland invokes the "ordinary business" exclusion in Rule 14a-8(i)(7), which permits companies to omit proposals that "are mundane in nature and do not involve any substantial policy or other considerations." This is the standard set out in the 1976 rulemaking which produced Rule 14a-8(c)(7) (later recodified as Rule 14a-8(i)(7)) and explained how it should be applied in particular cases. Release No. 34-12999, 41 Fed. Reg. 52994, 52998 (3 December 1976) (the "1976 Release").

This interpretation stemmed from the Commission's concern about a no-action letter advising a utility that it could exclude a resolution on the topic of whether the company should build a nuclear power plant. The staff's theory was that the utility's management, "as an ordinary business matter, determines the fuel mix and the types of electrical generating methods that will be utilized to furnish electricity to the company's customers." *Potomac Electric Power Co.* (5 March 1976), 1976 SEC No-Act. LEXIS 622, *3. To avoid this result in the future, the SEC proposed amending the "ordinary business" exclusion to require the inclusion of "proposals involving important business matters, notwithstanding the fact that

such matters generally would relate to the conduct of the issuer's ordinary business operations." SEC Release No. 34-12598, 41 Fed. Reg. 29982, 29984 (20 July 1976).[1] After receiving public comments, the SEC adopted the 1976 Release and reissued Rule 14a-8 in amended form; the Commission did not, however, alter the language of the "ordinary business" exclusion, citing administrative and interpretational concerns. 41 Fed. Reg. at 52997. The SEC concluded that the existing standard (which was placed in a new subpart (c)(7)) "appears to be a workable one if it is interpreted in a somewhat more flexible manner than in the past." *Id.* at 52998.

The "substantial policy" benchmark well captures the point the Commission sought to make: It is not enough that the topic of a resolution be "mundane" – indeed, the *PEPCO* example shows how any policy issue can be characterized to seem like a part of the company's day-to-day business. What matters is whether the proposal is also devoid of "*any* substantial policy or other considerations," 1976 Release, 41 Fed. Reg. at 52998 (emphasis added).

In Release No. 34-40018, 63 Fed. Reg. 29106 (28 May 1998) the Commission reaffirmed this approach and provided additional guidance for determining what sort of issues would transcend "ordinary business." The Commission recommended a focus first on the subject matter of the proposal, noting that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to director shareholder oversight," *e.g.*, decisions on hiring or promotion of employees, production quality, and retaining suppliers. *Id.* at 29108. Even so, the SEC noted, some proposals would "transcend the day-to-day business matters and raise policy issues so significant" as to warrant shareholder input. *Id.*

Secondly, the Commission cited a need to examine the extent to which a proposal would "micro-manage" the company "by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.*

In seeking no-action relief Ryland argues that the Fund's proposal amounts to little more than a request that the Company undertake actions to ensure compliance with legal requirements relating to Ryland's ordinary business operations - (Ryland Letter at p. 3). As we now demonstrate, the issues presented by the Fund's

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[1] The proposed text amendment would have replaced the language then in subpart (c)(5), which allowed companies to omit requests to act on "a matter relating to the conduct of the ordinary business operations of the issuer," with a new subpart (c)(7), which would permit the omission only of "routine, day-to-day matter[s] relating to the conduct of the ordinary business operations of the issuer." *See* 41 Fed. Reg. at 29988, 29984.

proposal transcend ordinary business considerations, and Ryland has not sustained its burden of proving otherwise.

2. Significant Policy Issues.

Contrary to Ryland's assertions, the Fund's proposal does not focus on day-to-day operation of the company, but rather on governance at the board of directors level. Directors, after all, are elected by the shareholders to act as stewards of the shareholders. Particularly at a time when the Company's stock price has collapsed with no sign of immediate recovery, it is plainly not a matter of "ordinary business" for shareholders to raise questions about how directors carry out that responsibility in this industry.

Specifically, the Fund's proposal asks the board to create a new committee that would focus on issues pertaining to the present housing and mortgage crisis, a "significant policy" issue by anyone's definition.[2] The proposal also seeks a board-level review of the Company's mortgage operations business amidst concerns that home builders' mortgage financing affiliates may have exacerbated the current problems by originating mortgages in significant numbers to buyers who could not afford those mortgages.

Apart from significant policy issues presented by the current housing and credit crisis, we note that the utilization of compliance committees has itself emerged as a significant issue of corporate governance in recent years. Nearly two years THE WALL STREET JOURNAL reported how a "small but growing number" of S&P 500 committees are setting up compliance committees along the line recommended by the Fund here, rather than simply relying on the audit committee. Joann S. Lublin, *Compliance Panels Slowly Take Hold*, WALL ST. JOURNAL (9 January 2006) (Ex. A hereto). The practice is noticeable in industries that are subject to significant regulatory requirements, as are home builders.

The Fund's proposal is thus comparable to other proposals seeking the creation of a board-level committee to look into significant policy issues. Three no-action determinations in which the Division denied no-action relief are illustrative.

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[2] *See, e.g., Congress Takes Up Mortgages*, WALL ST. JOURNAL at A7 (6 September 2007); *Treasury Secretary Paulson Presses for Congress to Act on FHA Bill*, WALL ST. JOURNAL (14 September 2007); *Bush Wants to Expand Mortgage Disclosures*, WALL ST., JOURNAL at D3 (20 September 2007); *Housing Mess: Congress to the Rescue?*, WALL ST. JOURNAL at A9 (22 September 2007); *Paulson Urges Congress to Act on Loan Woes*, WALL ST. JOURNAL at A2 (4 December 2007); *Bush to Unveil Aid to Homeowners*, WALL ST. JOURNAL at A3 (5 December 2007); Henry M. Paulson, Jr., *Our Plan to Help Homeowners*, WALL ST. JOURNAL at A17 (7 December 2007).

Associates First Capital Corporation (13 March 2000) chillingly anticipated the subprime lending issues that dominate today's news. The resolution there sought the creation of a board committee to "oversee the development and enforcement of policies to ensure that (1) accounting methods and financial statements adequately reflect the risks of subprime lending and (2) employees do not engage in predatory lending practices; and to report before the next annual meeting to the shareholders on policies and their enforcement." Despite pleas from the company this related to its core business activities, the Division denied no-action relief.

Similarly in *General Electric Co.* (28 January 2005), the proposal asked the board to create a committee to "review General Electric's operations in Iran, with a particular reference to potential financial and reputational risks incurred by the company by such operations." A report was similarly requested. The Division rejected GE's argument that the proposal merely sought a request for an evaluation on doing business in a single country and did not involve any overriding social policy issue.

More recently in *Yahoo!* (16 April 2007), a proposed bylaw would create a board-level Committee on Human Rights to review "implications of the company's policies" with respect to human rights, both at home and abroad. Of particular note, the Division rejected the company's argument that the "issue of how the Company should respond or alter its services to comply with government regulations . . . is central to the Company's day-to-day business operations," and the "issue is highly complex, and requires a detailed understanding of, among other things, the Company's current and future business models and strategies, available technology and the regulatory landscape" – matters on which shareholders were said to be ill-equipped to judge. 2007 SEC No-Act. LEXIS 445 at *70-71.

Also relevant here is the recent determination in *Beazer Homes USA, Inc.* (30 November 2007), where the Division denied no-action relief with respect to a proposal that requested a report "evaluating the Company's potential losses or liabilities relating to its mortgage operations and/or those of any affiliates or subsidiaries." In *Beazer*, as here, the proponent cited the current crises involving mortgage lending, the credit crunch, and the significant loss of shareholder value among homebuilders as factors that took the proposal out of the realm of "ordinary business." The Division rejected Beazer's arguments that this proposal could be excluded under the "ordinary business" exclusion in Rule 14a-8(i)(7), upon which Ryland relies here.

The authorities cited by Ryland involve requests for committees to monitor various aspects of company operations, but those proposals did not involve the same level of urgency or public policy considerations that are presented by the current mortgage crisis. *E.g.., Monsanto Co.* (3 November 2005) (committee to monitor "code of conduct" compliance); *Ford Motor Co.* (19 March 2007) (committee to

monitor securities law issues); *AES Corp.* (9 January 2007) (committee to monitor ethics compliance); *Humana Inc.* (25 February 1998) (committee to monitor anti-fraud program); *Crown Central Petroleum Corp.* (19 February 1997) (committee to monitor franchisee compliance with laws regarding cigarette sales to minors).

Here, a home builder's choices about how to operate a financing affiliate are at one level a part of the company's day-to-day activities. Nonetheless, the wrong choice can have significant consequences not only for the company and its shareholders, but also for home owners who find themselves faced with foreclosure, for renters who may find themselves evicted from homes threatened with foreclosure, for communities that face the risk of crime and economic decline from foreclosures and a need to issue debt to deal with those threats,[3] and for investors in this country and abroad who put their money into collateralized debt obligations only to see the value plummet. This situation is a far cry from the situations in the letters that Ryland cites.

For these reasons Ryland's attempt to trivialize the Fund's proposal as merely a request for a proposal on risk assessment badly underestimates the policy significance of the proposal. Nor is there merit to Ryland's alternative argument that the proposal seeks to intrude into the Company's litigation strategy to the extent that Ryland may find itself in litigation.

Conclusion.

For the foregoing reasons, Ryland has failed to carry its burden of justifying exclusion of the Fund's proposal, and we would ask the Division to advise the Company that its request for no-action relief is denied.

Thank you for your consideration of these points. Please do not hesitate to contact me if there is any further information that can be provided.

Very truly yours,

Cornish F. Hitchcock

Cornish F. Hitchcock

cc: R.W. Smith, Jr., Esq.
Mr. Scott Zdrazil

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[3] See *Spreading the Misery*, THE NEW YORK TIMES (29 November 2007) and *Ohio to Sell Bonds to Avert Home Foreclosures*, BLOOMBERG NEWS (24 March 2007) (Exs. B and C, attached hereto).

DLA PIPER

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VIA UPS and FACSIMILE (202-772-9201)

January 4, 2008

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Letter from Amalgamated Bank LongView MidCap 400 Index Fund dated December 28, 2007 Opposing Request for Omission of Shareholder Proposal

Ladies and Gentlemen:

We are counsel to The Ryland Group, Inc. ("Ryland" or the "Company") and, on behalf of Ryland on December 17, 2007, we submitted a letter requesting that the staff of the Division of Corporation Finance (the "Staff") concur that it will not recommend enforcement action if Ryland omits a shareholder proposal and supporting statement (the "Proposal") submitted on October 31, 2007 by the Amalgamated Bank LongView MidCap 400 Index Fund (the "Proponent"). We received a letter from the Proponent dated December 28, 2007 (the "Response Letter") responding to our request seeking omission of the Proponent's Proposal.

We would like to respond to two points raised by the Proponent in its Response Letter. First, the Response Letter emphasizes the effect of the turmoil in the subprime lending market on the housing industry and the resulting demands for regulatory actions and threats of litigation. The Proponent argues that the challenges presented by the recent conditions in the housing sector transcend ordinary business and are therefore appropriate for shareholder consideration. Although the Company acknowledges that the recent developments in the housing and mortgage sector are having an impact on the Company and the economy in general, we do not believe the Proposal raises the type of social policy concerns that warrant the Staff overriding a matter that is clearly related to the ordinary business of the Company. Nevertheless, in Staff Legal Bulletin 14C ("SLB 14C"), the Staff clarified the application of Rule 14a-8(i)(7) to proposals referencing environmental or public health issues. In SLB 14C, the staff concluded:

> To the extent that a proposal and supporting statement focus on the company engaging in an internal assessment of the risks or liabilities that the company faces as a result of its operations that may adversely affect the environment or the public's health, we concur with the company's view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7) as relating to an evaluation of risk. To the extent that a proposal and supporting statement focus on the company minimizing or eliminating operations that may adversely affect the environment or the public's health, we do not concur with the company's view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7).

We believe that the purpose of the foregoing distinction is that a shareholder proposal that focuses solely on the ordinary business matters of a company, such as the general conduct of a legal compliance committee, is excludable, but that proposals that focus on "significant social policy issues" are not excludable because the proposals may transcend normal day-to-day business matters. The Proposal submitted by the Proponent clearly fits within the first category and therefore is excludable. The Proposal asks the Company to form a committee to review the Company's regulatory, litigation and compliance risks. In the Response Letter, the Proponent raises concerns over homeowners facing foreclosure and communities threatened with the risk of crime and economic decline. However, the Proposal neither requests that the Company change its operating principles or policies, nor claims that formation of a compliance committee itself would address such issues. Instead, the proposal and supporting statement express concern about the potential decline in long-term shareholder value and not about the underlying social issues that may cause such a decline. The Proposal clearly indicates a focus on the conduct of the Company's legal compliance program and not on an overall social policy issue.

The second point we would like to address is that the Proponent maintains that Ryland has "trivialized" the Proposal as a request for a proposal on risk assessment. Although we disagree that the Company has downplayed the turmoil in the credit markets, we do agree that the Proposal asks the Company to evaluate the regulatory, litigation and compliance risks with respect to the Ryland's mortgage lending business. Consistent with the discussion above with regard to SLB 14C, the Proposal is related to the ordinary business of the Company because it focuses on an internal assessment of the potential risks or liabilities that the Company faces as a result of its mortgage operations. Further, while we believe there is indeed an assessment of risk contemplated by the Proposal, we would like to emphasize that the request for no-action relief focuses on the premise that the Proposal involves the general conduct of a legal compliance program and is supported by the prior SEC No-Action letters cited in our December 17, 2007 letter to the Staff.

In its Response Letter, the Proponent cites to the Staff's decision in Beazer Homes USA, Inc. (November 30, 2007). We would like to stress that the underlying reasoning for exclusion of the Proposal is different from the Beazer Homes no-action request in two respects. First, as offered in our letter to the Staff dated December 17, 2007 and supported by the prior SEC No-

Action letters cited in that letter, we believe the Proposal relates to the conduct of a legal compliance program and should be excludable as part of Ryland's ordinary business operations. Second, as we described above, the Proposal is excludable because it falls squarely within the guidance provided by SLB 14C. These arguments were not addressed in the request for no-action relief for Beazer Homes and we believe these are important factors to consider.

Based on the Company's request for omission of this Proposal and lack of merit proposed in the Proponent's response, the Company respectfully requests the Staff's concurrence that the Proposal may be omitted and that it will not recommend enforcement action if the Proposal is excluded from the Company's 2008 proxy materials.

If you have any questions or need any additional information, please contact the undersigned. We appreciate your attention to this request.

Sincerely,

R.W. Smith, Jr.
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