DIVISION OF
CORPORATION FINANCE

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

February 7, 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 15, 2008 concerning the shareholder proposal submitted to Ryland by the College Retirement Equities Fund. We also have received letters from the proponent dated January 9, 2008 and January 25, 2008. 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: Hye-Won Choi
Vice President and
Head of Corporate Governance
Teachers Insurance and Annuity Association of America
College Retirement Equities Fund
730 Third Avenue
New York, NY 10017-3206

February 7, 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 recommends that the board adopt a policy requiring that the proxy statement for each annual meeting contain a proposal seeking an advisory vote of shareholders to ratify and approve the board Compensation Committee Report and the executive compensation policies and practices set forth in the Compensation Discussion and Analysis.

There appears to be some basis for your view that Ryland may exclude the proposal under rule 14a-8(i)(3), as materially false or misleading under rule 14a-9. 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)(3). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which Ryland relies.

Sincerely,

Song Brandon
Attorney-Adviser

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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 the College Retirement Equities 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 the College Retirement Equities 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 Ryland's Board of Directors to seek an adivory vote of shareholders at each annual meeting to ratify and approve the Compensation Committee Report and the executive compensation policies and practices set forth in the Company's Compensation Discussion and Analysis.

On November 12, 2007, Ryland received the Proponent's Proposal via facsimile. 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, that the shareholders of Ryland Group, Inc. (the "Company") recommend that the board of directors adopt a policy requiring that the proxy

statement for each annual meeting contain a proposal, submitted by and supported by Company management, seeking an advisory vote of shareholders to ratify and approve the board Compensation Committee Report and the executive compensation policies and practices set forth in the Company's Compensation Discussion and Analysis.

I. The Proposal May Be Excluded Under Rule 14a-8(i)(3) Because It Is Materially False or Misleading

Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal if either the proposal or the supporting statement is contrary to any of the proxy rules, including Rule 14a-9, which prohibits the inclusion of materially false or misleading statements in proxy soliciting materials. Further, Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal on the grounds that it is vague, indefinite and materially misleading if "the resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B (September 15, 2004). The Proposal seeks an advisory vote on two sections of the Company's proxy statement, the Compensation Discussion and Analysis section (the "CD&A") and the Compensation Committee Report, each of which is addressed below.

A. Compensation Discussion and Analysis

The resolved clause of the Proposal urges the board to adopt a "policy" that Company shareholders be given the opportunity to vote on an "advisory" resolution to "ratify and approve" the executive compensation policies and practices set forth in the Company's CD&A. The purpose of the policy and advisory vote is not clear from reading the Proposal and the supporting statement. The supporting statement puts forth two possible purposes for such a vote. First, to advise the Company on whether the Company's disclosure regarding executive compensation adequately explains the Company's policies and decisions on compensation, and second, whether those policies and decisions are in the best interests of shareholders. It is unclear what action should be taken by the Board of Directors in response to a shareholder vote on the advisory proposal, including whether the disclosure regarding executive compensation in Ryland's proxy materials should be revised, and whether the Company's compensation practices should be amended.

The CD&A requires broad and detailed disclosures on a range of topics underlying a company's employee compensation practices. Securities Act Release No. 33-8732 (August 11, 2006) (the "Executive Compensation Release") provides that the CD&A is much like the Management's Discussion and Analysis ("MD&A") of Item 303 of Regulation S-K, and calls for a discussion and analysis of the material factors underlying compensation policies and decisions reflected in the data presented in the compensation tables. The CD&A is a narrative designed to

provide material information about compensation objectives and policies for named executive officers, and a context for the compensation tables and other disclosures regarding compensation in a company's filings. As such, it requires a company to provide detailed and thorough disclosure, and to do a complex and extensive analysis of its compensation programs, policies and actions. In general, the CD&A must explain the material elements of a company's named executive officers' compensation and should address: (1) the objectives of the company's compensation programs; (2) what the compensation program is designed to reward; (3) each element of compensation; (4) why the company chooses to pay each element; (5) how the company determines the amount (and, where applicable, the formula) for each element; and (6) how each compensation element and the company's decisions regarding that element fit into the company's overall objectives and affect decisions regarding other elements.

The purpose of the CD&A is to provide comprehensive, principles-based disclosure about executive compensation. Item 402(b) of Regulation S-K, identifies the disclosure concepts for the CD&A and provides fifteen illustrative examples of items that should be considered for disclosure. However, a company is expected to individually tailor its CD&A and the information included in it to the specific philosophy, programs, actions and material items of the company. For example, the narrative CD&A may or may not take into consideration compensation philosophy, benchmarking of compensation, compensation policies, reasons for determining amounts for each compensation element, compensation goals, actual performance versus compensation paid, elements of post-termination compensation and benefits, personal benefits, in-service compensation and compensation committee activity. The Executive Compensation Release makes clear that the disclosure is a discretionary task to be done on a company-by-company basis. Furthermore, items included in or excluded from the CD&A may vary at a given company from year to year, depending upon the particular circumstances of the company.

In light of the requirements of the CD&A, the mandate of the Proposal would be confusing for both shareholders and the Company, and therefore materially misleading. Given the complexity of the CD&A and the myriad of factors that go into the analysis and related disclosure that shareholders would be voting upon, it is entirely unclear what any vote to "approve" or "disapprove" the compensation principles described in the CD&A would mean. The CD&A is not like the old Compensation Committee Report, which describes policies applicable to the registrant's executive officers. Instead, the CD&A (1) explains the material elements of the Company's named executive officers' compensation, (2) is a narrative, like the MD&A, describing material factors underlying compensation policies and decisions reflected in the data presented in the compensation tables, and (3) is a principles-based broad discussion that describes the detail behind six tables of officer compensation data that is tailored to a company's particular situation. Such an advisory vote will not provide the Board of Directors with the context necessary to interpret the shareholder views behind it, and will force the Board of Directors to speculate about whether the vote signifies shareholder views on a portion or all of the substantive content of the CD&A, the adequacy of the disclosure in the CD&A, or both. A negative vote from shareholders will not specify whether shareholders are objecting to the

specific compensation plans described in the CD&A or if they disagree with the compensation philosophy and the analysis employed by the Board of Directors in determining the appropriate compensation plans. All that the Company and the Board would know from a negative vote is that the shareholders disapproved of something related to executive compensation, not what the specific objection is.

Given the advisory resolution's indefinite meaning in relation to the broad spectrum of data in, and the many elements of, the CD&A, neither management nor Ryland's shareholders could determine with any reasonable certainty what exactly is being voted upon or communicated by the non-binding advisory resolution. These factors make the Proposal so vague and impermissibly indefinite that it is contrary to Rule 14a-9, which prohibits materially misleading statements and may be excluded under Rule 14a-8(i)(3).

B. Compensation Committee Report

The proposal also asks shareholders to ratify and approve the Compensation Committee Report. The Compensation Committee Report no longer requires a discussion of the "policies applicable to the registrant's executive officers," as required previously under Item 402(k)(1) of Regulation S-K. Instead, under the new rules the Compensation Committee Report simply states whether the compensation committee reviewed and discussed the CD&A with management and based on the review and discussions, whether the compensation committee recommended to the board of directors that the CD&A be included in the company's Annual Report on Form 10-K and, as applicable, the company's proxy or information statement. As shareholders would be voting on the limited content of the Compensation Committee Report, which relates to the occurrence or non-occurrence of factual actions by the compensation committee relating to the members' physical review, discussions and recommendations regarding the CD&A disclosure, the Proposal does not make sense. Recently, the Staff has granted no-action relief for proposals for advisory votes in connection with the compensation committee report. See PG&E Corp. (January 30, 2007) (excluding, as materially false or misleading, a proposal seeking an advisory vote to approve the compensation committee report). Accordingly, neither the shareholders in voting on the Proposal, nor the Company in implementing the Proposal would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires, or what the resulting Company shareholder vote means. Accordingly, the Proposal should be excluded under Rule 14a-8(i)(3).

II. 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."

A. Compensation Committee Report

The Staff has taken the position that decisions with respect to the content and presentation of disclosure in a company's reports to shareholders are matters constituting "ordinary business operations." See Long Island Lighting Company (February 22, 1996) (excluding, as relating to ordinary business matters, proposal seeking to influence format and presentation of executive compensation disclosure information in company's report to shareholders).

The Compensation Committee Report is a report of the related issuer's compensation committee. Under both the old rules and the revised executive compensation rules, the names of the directors serving on the committee are placed beneath the report, signifying to shareholders that the report is their work and their conclusions. As noted above, the Compensation Committee Report states whether the compensation committee reviewed and discussed the CD&A with management and based on the review and discussions, whether the compensation committee recommended to the board of directors that the CD&A be included in the company's annual report on Form 10-K and the company's proxy or information statement. Given these requirements, and that the names of reviewing individuals are beneath the report, this report is clearly a compensation committee task that is driven by compliance with Commission rules: the committee members must confirm that they have taken certain steps and made a recommendation. Shareholders should not be given an advisory vote on a matter that represents conclusions of the compensation committee. It is clear that the report involves a corporate task that should not involve "shareholder oversight" or "micro-management" in the form of an advisory resolution or otherwise. Rather it is an ordinary compliance business operation and represents a statement of disclosure about compensation philosophy, objectives and decisions clearly within the control and responsibility of the Compensation Committee. Accordingly, the Proposal as submitted is excludable under Rule 14a-8(i)(7).

B. Compensation Discussion and Analysis

If the Staff permits the Proponent to revise the Proposal to provide for an advisory resolution only on the executive compensation policies and practices set forth in the CD&A, that change would not cure the Proposal for purposes of Rule 14a-8(i)(7). The Proposal as it relates

to the policies and practices set forth in the CD&A should be excluded pursuant to Rule 14a-8(i)(7) for two reasons. First, similar to the discussion in the previous section, the Proposal seeks to advise on how information is presented in a report to the Company's shareholders, and second, the Proposal involves general employee compensation matters.

The advisory vote contemplated by the Proposal would serve as an attempt to modify the disclosure included in the CD&A. The supporting statement notes that the advisory vote contemplated by the Proposal would be an effective way to advise the Company if the disclosure in the CD&A is adequate to explain Ryland's compensation policies. Attempting to influence the CD&A's contents is equivalent to seeking to alter the presentation of a standard company report and is not a permissible proposal. See e.g., ConAgra, Inc. (June 10, 1998) (excluding a proposal requiring the company to supplement its Form 10-K and other periodic reports as relating to the ordinary business operations of the company); Southwest Gas Corporation (May 6, 1996) (excluding a proposal that the company expand its proxy statement disclosures as a matter within the ordinary business of the company).

As described in detail above, the CD&A (1) explains the material elements of the Company's named executive officers' compensation, (2) is a narrative, like the MD&A, describing material factors underlying compensation policies and decisions reflected in the data presented in the compensation tables, and (3) is a principles-based, broad discussion that describes the detail behind six tables of officer compensation data that is tailored to a company's particular situation. The completion and inclusion of the CD&A in the proxy is now a requirement under the Commission's proxy rules that is applicable to the Company. Ryland is responsible for ensuring the full, timely and accurate disclosure of the compensation information required by the CD&A, the disclosure of factual matters about what has been done in relation to executive compensation and determining the principles-based, discretionary items to be included in the CD&A. Moreover, unlike the Compensation Committee Report, the CD&A section is considered soliciting material and is therefore actually "filed" with the Commission (unlike the Compensation Committee Report) and covered by the CEO/CFO certifications required by the Sarbanes-Oxley Act of 2002 (unlike the Compensation Committee Report). The officers signing such certifications, not the shareholders, have liability with respect to an inaccurate certification.

How management and the Company in general gather, review, select and present the broad range of detailed, required information in the CD&A is a matter within the ordinary business of the Company and not appropriately subject to the approval or disapproval of the Company's shareholders. It is in the discretion of management to determine which materials are included in or excluded from the CD&A, and to determine how the selected information is relayed. Likewise, the CEO/CFO certifications on such disclosure are the responsibility of management only. These are tasks that 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 CD&A should not be "micro-managed" by the shareholders, who

should not "probe 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."

The second factor that renders the Proposal excludable pursuant to Rule 14a-8(i)(7) is that the Proposal involves general employee compensation matters. In the 1998 Release, the Commission made it clear that proposals dealing with "the management of the workforce, such as the hiring, promotion, and termination of employees," relate to ordinary business matters. The Proposal generally refers to executive compensation policies and practices set forth in the CD&A without further describing the specific policies and practices. In Staff Legal Bulletin No. 14A (July 12, 2002), the Staff described its "bright-line analysis" applied to determine if proposals concerning compensation deal with ordinary business matters:

- We agree with the view of companies that they may exclude proposals that relate to general employee compensation matters in reliance on rule 14a-8(i)(7); and
- We do not agree with the view of companies that they may exclude proposals that concern *only* senior executives and director compensation in reliance on rule 14a-8(i)(7).

The Proposal and its supporting statement are not limited to executive officers or senior executives; instead, they refer generally to executive compensation policies and practices. Moreover, the Company's CD&A disclosure contains executive compensation policies that apply to non-executive employees of the Company. The CD&A discusses the Company's use of long-term incentive compensation vehicles and annual bonus incentives, which are awarded to executives as well as to managers of the Company who are not considered executives. The CD&A also discusses compensation plans that are applicable to all of Ryland's employees, such as the Company's Retirement Savings Opportunity Plan, which is a 401(k) qualified retirement savings plan available to all employees, not just senior executives. Since the compensation policies and practices apply to it appears that the proposal would apply well beyond the limits of senior executives or executive officers and would therefore be excludible as ordinary business under Rule 14a-8(i)(7).

Conclusion

For the reasons contained in this letter and based on the authorities cited herein, the Ryland believes that the Proposal may properly be omitted from its proxy materials (i) under Rule 14a-8(i)(3) because it is so vague and indefinite that shareholders would not know what they are voting on, and if adopted, Ryland would be unable to determine which actions the Proposal would require and (ii) 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.

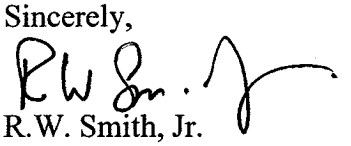
Additionally, Ryland respectfully submits to the Staff that it would not be appropriate to permit revision of the Proposal under the 1998 Release and related Staff Legal Bulletins. Staff Legal Bulletin No. 14 confirms the Staff position that revisions are appropriate when the challenged proposal contains "some relatively minor defects that are easily corrected" but not if the revisions "would alter the substance of the proposal" or if the proposal does not "generally comply with the substantive requirements of the rule." In this case, the Proposal would have to be rewritten entirely to address the defects discussed in this letter.

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 (212) 916-6383. 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: John C. Wilcox
Hye-Won Choi
College Retirement Equities Fund
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New York, NY 10017
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APPENDIX A

TIAA CREF
FINANCIAL SERVICES FOR THE GREATER GOOD®

John C. Wilcox
Senior Vice President,
Head of Corporate Governance
Tel: 212.916.5404
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Hye-Won Choi
Vice President,
Associate General Counsel
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November 12, 2007

Mr. Timothy Geckle
Corporate Secretary
Ryland Group, Inc.
24025 Park Sorrento, Suite 400
Calabasas, CA 91302

Dear Mr. Geckle:

On Behalf of the College Retirement Equities Fund ("CREF"), we hereby submit the enclosed shareholder proposal (the "Proposal") for inclusion in Ryland Group's (the "Company") proxy statement to be circulated to stockholders in connection with the Company's next annual meeting of stockholders. The Proposal asks the Company to offer its stockholders the opportunity at each annual stockholder meeting to cast a non-binding advisory vote on the Company's executive compensation policies set forth in the Board Compensation Committee Report and the Compensation Discussion and Analysis ("CD&A") sections of the proxy statement.

The Proposal is submitted pursuant to Rule 14a-8 of Regulation 14A under the Securities Exchange Act of 1934, as amended, which relates to the submission of stockholder proposals. We are exercising this right by submitting this Proposal, noting the Company's November 13, 2007 filing deadline. If the Company is willing to engage in a dialogue with CREF regarding best practices with respect to its CD&A, we would be open to discussing withdrawal of the Proposal.

TIAA, CREF's companion company, voluntarily adopted an advisory vote on TIAA's executive compensation disclosure and policies in July 2007. While TIAA is not a public company and many of the rules that apply to public companies do not therefore apply to TIAA, it is our policy to try to adhere to the same standards that we espouse for portfolio companies. We have adopted a strong position in support of the advisory vote at US companies. TIAA therefore decided to adopt an advisory vote on its own compensation policy and disclosure. We believe that the advisory vote is a useful and appropriate mechanism to inform companies about shareholder views on their compensation programs.

We are mindful that compensation decisions should be made by boards of directors and it is not our intention to substitute our judgment on these important and sensitive decisions. However, we believe that compensation should drive value creation, and we hold directors accountable for explaining to shareholders through their CD&As the basis, goals and underlying rationale for their programs.

We have been reviewing the CD&As to determine whether boards have met the burden of convincing shareholders that their compensation program is appropriate for their particular circumstances and are consistent with their business strategy. We are evaluating the disclosure to determine whether the plan (i) is performance based, (ii) is tied to the company's business strategies, (iii) clearly articulates the metrics and performance targets and will incentivize executives to meet the challenges faced by the company and (iv) will result in creation of value for shareholders.

After conducting an extensive review of Ryland Group's CD&A, we have found several areas of concern. While there is a significant amount of information provided in the CD&A, the document lacks a clear indication as to how the compensation plans are directly linked to the performance goals of the company. We were also unable to determine the rationale for adjustments to performance measures, such that they no longer conform to GAAP. Additionally, while we agree that ROE is a good measure of performance, by using this measure for both the short-term and long-term plans the same performance is rewarded twice. These are a few of the issues we look forward to discussing with you.

CREF is the beneficial owner of approximately 360,839 shares of the Company's common stock that have been held continuously for more than a year prior to the date of this submission. CREF and its affiliated mutual funds are long-term holders of the Company's common stock. CREF intends to hold at least $2,000 in market value of the Company's common stock through the date of the Company's next annual meeting of stockholders. The record holder of the stock will provide appropriate verification of CREF's beneficial ownership by separate letter. The undersigned or a designated representative will present the Proposal for consideration at the Company's annual meeting of stockholders.

If you have any questions or wish to arrange a meeting to discuss our concerns, please contact John Wilcox at (212) 916-5404 or Hye-Won Choi at (212) 916-5647. Copies of correspondence, including any request for "no-action" relief submitted to the Staff of the Securities and Exchange Commission, should likewise be directed to our attention at 730 Third Avenue, New York, NY 10017.

Sincerely,

RESOLVED, that the shareholders of Ryland Group, Inc. (the "Company") recommend that the board of directors adopt a policy requiring that the proxy statement for each annual meeting contain a proposal, submitted by and supported by Company management, seeking an advisory vote of shareholders to ratify and approve the board Compensation Committee Report and the executive compensation policies and practices set forth in the Company's Compensation Discussion and Analysis.

Supporting Statement

The recent amendments to the Securities and Exchange Commission's rules governing the disclosure of executive compensation are intended to provide shareholders with clearer and more complete information about the Company's compensation policies, goals, metrics, rationale and cost. The new rules should enable shareholders to make an informed judgment about the appropriateness of the company's compensation program. We believe that a non-binding, advisory vote is an effective way for shareholders to advise the company's board and management whether the company's policies and decisions on compensation have been adequately explained and whether they are in the best interest of shareholders.

An advisory vote would inform management and the board of shareholder views without involving shareholders in compensation decisions. We believe that the results of an advisory vote would encourage independent thinking by the board, stimulate healthy debate within the Company and promote substantive dialogue about compensation practices between the Company and its investors.

We urge you to vote "FOR" this proposal.

TIAA CREF
FINANCIAL SERVICES FOR THE GREATER GOOD®

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College Retirement Equities Fund
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Hye-Won Choi
Head of Corporate Governance
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hchoi@tiaa-cref.org

VIA HAND DELIVERY

January 9, 2008

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

Re: Shareholder Proposal of CREF; Request by The Ryland Group, Inc. for No-Action Determination

Dear Sir/Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the "Exchange Act"), the College Retirement Equities Fund ("CREF") submitted to The Ryland Group, Inc. ("Ryland" or the "Company") a shareholder proposal (the "Proposal") which reads as follows:

> RESOLVED, that the shareholders of Ryland Group, Inc. (the "Company") recommend that the board of directors adopt a policy requiring that the proxy statement for each annual meeting contain a proposal, submitted by and supported by Company management, seeking an advisory vote of shareholders to ratify and approve the board Compensation Committee Report and the executive compensation policies and practices set forth in the Company's Compensation Discussion and Analysis.

In a letter to your office dated December 17, 2007, Ryland stated that it intends to omit the Proposal from its proxy materials being prepared for the 2008 annual meeting of shareholders. Ryland argues that it is entitled to exclude the Proposal under Rule 14a-8(i)(3) because the Proposal is materially false or misleading and Rule 14a-8(i)(7) because the Proposal relates to ordinary business matters.

Under Rule 14a-8(g), Ryland bears the burden of demonstrating why the Proposal may be excluded. As explained below, Ryland has not sustained its burden and should not be permitted to exclude the Proposal from its proxy statement.

I. The Purpose of the Proposal

The Proposal requests that Ryland's board of directors (the "Board") adopt a policy by which the Company would be required to submit a non-binding proposal each year seeking an advisory vote of shareholders to ratify and approve the Compensation Committee Report and the executive compensation policies and practices set forth in the Company's Compensation Discussion and Analysis ("CD&A"). The intent of the Proposal is to provide Ryland's management and Board with the maximum amount of flexibility. The Proposal gives Ryland's management and Board, who are responsible for the design, implementation and disclosure of the Company's compensation policies and practices, the ability to develop and submit the Proposal in any manner that they believe is appropriate. Thus, the intent is to put the advisory vote mechanism into the hands of Ryland's management and Board.

The purpose of the Proposal is in line with the purpose of the new executive compensation disclosure rules adopted by the Securities and Exchange Commission (the "Commission" or the "SEC") which is to provide investors with understandable, comprehensive and meaningful information regarding a company's executive compensation disclosure.[1] In its release adopting the new rules, the Commission described the CD&A as follows:

> The purpose of the Compensation Discussion & Analysis is to provide material information about the compensation objectives and policies for named executive officers without resort to boilerplate disclosure. The Compensation Discussion and Analysis is intended to put into perspective *for investors* the numbers and narrative that follow it. (emphasis added)[2]

CREF has carefully reviewed the new compensation disclosure throughout the past year. While we understand that this was the first year of the new rules and there is a learning curve, we agree with Chairman Cox's statement, "I have to report that we are disappointed with the lack of clarity in much of the narrative disclosure that's been filed with the SEC so far."[3] We believe that an advisory vote, such as the vote set forth in the Proposal, will help bring about better information in a clear and understandable form.

The Commission also stated that, although the new rules will provide more detailed information to investors regarding executive compensation, it is up to the markets to provide checks and balances on compensation practices employed by the management and boards of directors of public companies as it is "not the job of the SEC to judge what constitutes the 'right' level of compensation for an executive or to place limits on what executives are paid."[4] CREF believes that the use of an advisory vote can serve as an important tool by which shareholders can impose such a system of checks and balances on a company's executive compensation policies and practices. An advisory

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[1] SEC Release No. 33-8732A, "Executive Compensation and Related Person Disclosure," August 29, 2006.
[2] Id at 29.
[3] Speech by Chairman Christopher Cox, Closing Remarks to the Second Annual Corporate Governance Summit, March 23, 2007, available at http://www.sec.gov/news/speech/2007/spch032307cc.htm.
[4] Speech by Chairman Christopher Cox, Introductory Remarks at the SEC Open Meeting, July 26, 2006, available at http://www.sec.gov/news/speech/2006/spch072606cc.htm.

vote on the CD&A and the Compensation Committee Report, although non-binding, complements the Commission's new executive compensation rules because it provides an essential market-based response.

Advisory votes on executive compensation are common practice in the United Kingdom, Australia, Sweden and the Netherlands and are garnering increasing support in the United States. In fact, shareholder proposals seeking advisory votes on executive compensation received a majority of votes cast at seven companies during the 2007 proxy season and both Aflac and Verizon Communications have agreed to hold an annual advisory vote on executive compensation beginning in 2008 and 2009, respectively.[5]

In part to set an example for public companies to follow, the Teachers Insurance and Annuity Association ("TIAA") adopted and implemented an advisory vote on its executive compensation disclosure in 2007. TIAA's trustees explained to its policyholders that the advisory vote is a vote on the quality and merits of TIAA's executive compensation plan and disclosures, including connection to performance, achievement of business goals and long-term value creation. The TIAA advisory vote is a vote on how well its trustees have explained the underlying reasoning and rationale for its compensation decisions and related policies to TIAA's policyholders. TIAA also provided its policyholders with the ability to provide commentary explaining the rationale behind their votes. This was a way for TIAA to provide a referendum on its compensation policies to its policyholders.

The use of an advisory vote, such as the vote set forth in the Proposal, is an efficient way to inform a company's management and board of directors of shareholder sentiment without involving shareholders in compensation decisions. This is consistent with CREF's overall approach to corporate governance and its philosophy regarding the role of boards and shareholders. We believe that it is the job of the compensation committee, not the shareholders, to make compensation decisions. CREF does not intend to encroach upon the province of the board, substitute its judgment for that of the board or micromanage the Company. CREF seeks to hold boards accountable to shareholders for compensation decisions in an effort to ensure that boards are acting in the best interest of shareholders. The onus is on boards to persuade shareholders that their plans are consistent with the company's business model and strategic goals, clearly linked to performance, and drive long-term value for shareholders. We view the advisory vote as an opportunity for companies to explain to shareholders why their executive compensation policies and practices are appropriate.

CREF also believes that an advisory vote would encourage independent thinking by the Board, stimulate healthy debate within the Company and trigger dialogue on executive compensation policies between the Company and its shareholders. A speech

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[5] According to the 2007 Postseason Report published by RiskMetrics Group, shareholder proposals seeking advisory votes on executive compensation received a majority of votes cast at Motorola, Verizon Communications, Blockbuster, Clear Channel, Valero Energy, Ingersoll-Rand and Activision. Shareholder proposals seeking advisory votes on executive compensation averaged 41.7 percent support at 41 meetings during the 2007 proxy season. See RiskMetrics Group, "2007 Postseason Report: A Closer Look at Accountability and Engagement," *available at* http://www.riskmetrics.com/webcasts/2007proxy_season_review/.

delivered by former SEC Commissioner Roel C. Campos described the benefits of giving shareholders an advisory vote on executive compensation. Specifically, Commissioner Campos noted that,

> While I am sure that the natural inclination of companies is not to allow such advisory votes, I think there are some distinct positives. First, it fosters dialogue with and feedback from investors, and it gives shareholders a sense of empowerment without a company actually being bound by anything.... Further there appears to be some evidence that this may have some effect in curbing excessive executive pay.[6]

CREF has deliberated for over a year on the merits and mechanics of implementing an advisory vote at a U.S. public company. CREF believes that this is an opportune time to implement the use of an advisory vote on executive compensation. Following the 2007 proxy season, the first proxy season in which the majority of companies were required to comply with the new executive compensation rules, the Division of Corporation Finance (the "Division") issued a report regarding its initial review of the executive compensation and related disclosure of 350 public companies.[7] Among other things, the Division commented that the CD&A needs to focus on *how* and *why* a company arrives at specific executive compensation decisions and policies.[8] Specifically, the Division noted that, "The focus should be on helping the reader understand the basis and the context for granting different types and amounts of executive compensation."[9] In a speech providing guidance on the SEC's expectations for CD&As for next year, John White, Director of the Division, noted that, "Far too often, meaningful analysis is missing – this is the biggest shortcoming of the first year disclosures. Stated simply – Where's the analysis?"[10] These are the same questions CREF is asking public companies. CREF believes that implementing an advisory vote on executive compensation will provide answers to these questions and incentivize public companies to think about *how* and *why* they arrived at specific executive compensation decisions in a more comprehensive and thoughtful manner. This, in turn, will lead to more detailed and meaningful information regarding a company's executive compensation policies and practices and help achieve the SEC's goal which, as Chairman Cox stated, is "to advance the interests of shareholders through better disclosure."[11]

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[6] Speech by Commissioner Roel C. Campos, Remarks Before the 2007 Summit on Executive Compensation, January 23, 2007, available at http://www.sec.gov/news/speech/2007/spch012307rcc.htm.
[7] The report is available at http://www.sec.gov/divisions/corpfin/guidance/execcompdisclosure.htm.
[8] See also, Speech by John W. White, Director of the Division of Corporation Finance, "Keeping the Promises of Leadership and Teamwork: The 2007 Proxy Season and Executive Compensation Disclosures," *available at* http://www.sec.gov/news/speech/2007/spch050307jww.htm.
[9] The report is available at http://www.sec.gov/divisions/corpfin/guidance/execcompdisclosure.htm.
[10] Speech by John W. White, Director of the Division of Corporation Finance, "Where's the Analysis?," *available at* http://www.sec.gov/news/speech/2007/spch100907jww.htm.
[11] Speech by Chairman Christopher Cox, Introductory Remarks at the SEC Open Meeting, July 26, 2006, available at http://www.sec.gov/news/speech/2006/spch072606cc.htm.

II. The Proposal May Not Be Excluded Under Rule 14a-8(i)(7) Because It Does Not Relate to Ordinary Business Matters

Rule 14a-8(i)(7) allows exclusion of a proposal that "deals with a matter relating to the company's ordinary business operations." Since 1992, the Staff of the Division of Corporation Finance (the "Staff") has consistently taken the position that proposals dealing with the compensation of "senior executives" may not be omitted in reliance on the ordinary business exclusion, while proposals dealing with general employee compensation are excludable.[12] In Staff Legal Bulletin No. 14A, the Staff noted that it modified its approach to Rule 14a-8(i)(7) submissions concerning proposals that relate only to equity compensation plans of senior executive officers in response to "widespread public debate" on the topic.[13] As discussed below, the Proposal is consistent with this position as the topic of the Proposal is the CD&A and the Compensation Committee Report, both of which relate to the compensation of the Company's named executive officers ("NEOs"). As a result, the Proposal may not be excluded under Rule 14a-8(i)(7) as it does not relate to ordinary business matters.

The central thrust of the proxy statement compensation disclosure is to provide shareholders with "clear, concise and understandable disclosure of all plan and non-plan compensation awarded to, earned by, or paid to the named executive officers" of the company.[14] Under the SEC's new executive compensation disclosure rules, as set forth in Item 402 of Regulation S-K under the Exchange Act, both the CD&A and the Compensation Committee Report only relate to the compensation of a company's NEOs.[15] Specifically, the CD&A provides shareholders with a detailed discussion of the compensation objectives and policies for a company's NEOs. The Compensation Committee Report also primarily relates to the compensation of NEOs because it requires the compensation committee to state that it has reviewed and discussed the CD&A with management and, based on the compensation committee's discussions with management, recommended to the board of directors that the CD&A be included in the company's annual report on Form 10-K or proxy statement, as applicable. Thus, although the proxy statement might contain disclosure of executive compensation policies and practices that might apply to executive officers other than NEOs, such disclosure is only incidental to the disclosure required by Item 402 of Regulation S-K under the Exchange Act.

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[12] See, *Battle Mountain Gold Co.* (pub. avail. Feb. 12, 1992)("In view of the wide-spread public debate concerning executive and director compensation policies and practices, and the increasing recognition that these issues raise significant policy issues, it is the Division's view that proposals relating to senior executive compensation no longer can be considered matters relating to a registrant's ordinary business"); *Eastman Kodak* (pub. avail. Feb. 13, 1992) ("[I]t is the Division's view that proposals relating to senior executive compensation no longer can be considered matters relating to a registrant's ordinary business"); See also, Division of Corporation Finance, Staff Legal Bulletin No. 14A (July 12, 2002), *available at* http://www.sec.gov/interps/legal/cfslb14a.htm.

[13] See Division of Corporation Finance, Staff Legal Bulletin No. 14A (July 12, 2002), *available at* http://www.sec.gov/interps/legal/cfslb14a.htm.

[14] See Item 402(a)(2) of Regulation S-K.

[15] A company's NEOs include the principal executive officer, principal financial officer and the three most highly compensated executive officers other than the principal executive officer and the principal financial officer. See Item 402(a)(3) of Regulation S-K.

The Staff continues to act in accordance with its position that proposals dealing with the compensation of "senior executives" may not be omitted in reliance on the ordinary business exclusion. For example, in *Sara Lee Corporation* (pub. avail. Sept. 11, 2006), the Staff did not concur that Rule 14a-8(i)(7) could be used as a basis to exclude a proposal that shareholders be given the opportunity at each annual meeting to vote on an advisory resolution to approve the CD&A.[16] The Staff has also stated that Rule 14a-8(i)(7) is not a basis to exclude shareholder proposals urging boards of directors to adopt a policy requiring an advisory vote on the compensation of the NEOs set forth in the Summary Compensation Table and the accompanying narrative disclosure of the proxy statement.[17] This line of no-action letters weighs in favor of requiring the Company to include the Proposal in its proxy statement because the Summary Compensation Table and the accompanying narrative disclosure address the very information that is the subject of the CD&A – executive compensation.

The Proposal does not seek to micromanage the Company. As previously discussed, the Proposal requests that Ryland's management and Board prepare and present an annual proposal seeking the requested advisory vote. The Proposal neither attempts to dictate or control the content of the proposal, the CD&A or the Compensation Committee Report nor does it request that the Company produce any disclosure not already required by the federal securities laws. Rather, the purpose of the Proposal is to provide shareholders with an opportunity to vote on the quality and merits of the Company's executive compensation policies and practices set forth in the CD&A and the Compensation Committee Report. The Proposal is intended to serve as a means by which shareholders can provide feedback to the Company in an effort to achieve greater clarity regarding such policies and practices. Thus, the Proposal is not seeking to influence the format and presentation of the executive compensation disclosure in the Company's proxy statement, as was the case in *Long Island Lighting Company* no-action letter (pub. avail. Feb. 22, 1996) cited by Ryland.

Based on the foregoing analysis, it would not be appropriate to permit the Company to exclude the Proposal in reliance on Rule 14a-8(i)(7) because it neither relates to an inappropriate subject matter nor attempts to micromanage the Company.

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[16] See also, *Blockbuster Inc.* (pub. avail. March 12, 2007)((Rule 14a-8(i)(7) not a basis to exclude shareholder proposal urging the board of directors to adopt a policy requiring an advisory vote on the compensation of the named executive officers set forth in the proxy statement's Summary Compensation Table and the accompanying narrative disclosure); *Wal-Mart Stores, Inc.* (pub. avail. March 21, 2007) (Rule 14a-8(i)(7) not a basis to exclude shareholder proposal urging the board of directors to adopt a policy requiring an advisory vote on the compensation of the named executive officers set forth in the proxy statement's Summary Compensation Table and the accompanying narrative disclosure); *Avaya, Inc.* (Oct. 18, 2006) (Rule 14a-8(i)(7) not a basis to exclude proposal seeking a standard of pay-for-superior-performance in the company's executive compensation plan for senior executives); *Emerson Electric Co.* (Oct. 24, 2005) (Rule 14a-8(i)(7) not a basis to exclude proposal seeking shareholder approval of future severance agreements with senior executives that provide benefits exceeding a certain threshold); *SBC Communications, Inc.* (Jan. 25, 2005) (Rule 14a-8(i)(7) not a basis to exclude proposal seeking a review of, and report on, special executive compensation). *Cf. Xerox Corp.* (March 14, 2006) (proposal for performance-based compensation could be excluded under Rule 14a-8(i)(7) unless proponent amended it to specify that it applied to "compensation of executive officers only").

[17] See *Blockbuster Inc.* (pub. avail. March 12, 2007); *Wal-Mart Stores, Inc.* (pub. avail. March 21, 2007).

III. The Proposal May Not Be Excluded Under Rule 14a-8(i)(3) Because It Is Not Materially False or Misleading

Rule 14a-8(i)(3) allows exclusion of a proposal if it violates any of the Commission's other proxy rules, including the prohibition under Rule 14a-9 regarding materially false or misleading statements. A proposal can be materially misleading if it is so vague that the company and its shareholders cannot understand what actions the Company would need to take in order to implement the proposal. The Company contends, unpersuasively, that this is the case with the Proposal.

As discussed in detail below, the Proposal is not materially false or misleading as the resolution and the supporting statement are sufficiently clear so that both shareholders and Ryland know what the Proposal asks Ryland to do and the Proposal does not mislead shareholders regarding its effect.

a. The Compensation Discussion and Analysis

The purpose of the CD&A is to provide shareholders with a detailed description of a company's executive compensation policies and practices. The CD&A should serve as a roadmap to the company's executive compensation policies and practices and help a shareholder understand the basis and the context for the company's decision to grant different types and amounts of executive compensation. In the simplest terms, the Proposal requests that shareholders vote to ratify and approve the CD&A if it provides detailed and meaningful information regarding the Company's executive compensation policies and practices and provides answers as to *how* and *why* the Company arrives at specific executive compensation decisions and policies.

In *Sara Lee Corporation* (pub. avail. Sept. 11, 2006), the Staff concurred that Rule 14a-8(i)(3) could be used as a basis to exclude a proposal that shareholders be given the opportunity at each annual meeting to vote on an advisory resolution to approve the Report of the Compensation and Employee Benefits Committee (the "Sara Lee Proposal"). However, because the content of the Compensation Committee Report was revised by the new executive compensation rules following the deadline for submitting proposals, the Staff permitted the proponent to revise the proposal to make clear that the advisory vote would relate to the description of the company's objectives and policies regarding NEO compensation that is included in the CD&A. The Staff went on to say that such a revised proposal may not be excluded under Rule 14a-8(i)(3). Thus, the Proposal, which, like the revised Sara Lee Proposal, makes clear that the advisory vote would relate to the company's executive compensation policies and practices set forth in the CD&A, may not be excluded under Rule 14a-8(i)(3).

Further, CREF asserts that the vote requested by the Proposal is clear – a vote on the entire presentation of the Company's executive compensation policies and practices. The vote is nonbinding and, as a result, the Company is not required to take any action in response to the shareholder vote on the Proposal. As previously stated, the sole purpose of the Proposal is to inform the Company's management and Board of shareholder sentiment without involving shareholders in compensation decisions. What, if anything,

the Company chooses to do upon receiving the results of the requested advisory vote is the prerogative of the Company, as is the content of the annual proposal.

b. The Compensation Committee Report

With respect to the permissibility of an advisory vote on a proposal that includes the Compensation Committee Report, Ryland relies on a no-action letter issued to *PG&E Corporation* (pub. avail. Jan. 30, 2007) in which the Staff concurred that the company could exclude a resolution regarding an advisory vote to approve the Compensation Committee Report under Rule 14a-8(i)(3) (the "PG&E Proposal"). The analysis set forth in the PG&E no-action letter was primarily based on the fact that, as a result of recent changes in the executive compensation disclosure set forth in Item 402 of Regulation S-K under the Exchange Act, the Compensation Committee Report no longer is required to include a discussion of the compensation committee's policies applicable to the registrant's NEOs. Rather, the Compensation Committee Report simply states: (a) whether the compensation committee has reviewed the CD&A with management; and (b) whether, based on the review and discussions, the compensation committee recommended to the board of directors that the CD&A be included in the company's Annual Report on Form 10-K and, as applicable, the company's proxy or information statement. Thus, shareholders would only be voting on the limited content of the Compensation Committee Report.

In the present case, the Proposal requests that the Board adopt a policy that shareholders be given the opportunity to vote on an advisory management resolution at each annual meeting to approve the CD&A as well as the Compensation Committee Report. Thus, given the dual nature of the Proposal, the PG&E no-action letter is inapposite. In addition, the Proposal is distinguishable from several other no-action letters in which the Staff permitted companies to exclude shareholder proposals seeking advisory votes solely on the Compensation Committee Report in reliance on Rule 14a-8(i)(3).[18] The Staff found these proposals to be materially misleading as shareholders might believe they were voting on the company's executive compensation policies and practices rather than the very limited content of the Compensation Committee Report. In the present case, the Proposal clearly states that shareholders would be voting on all aspects of the executive compensation disclosure process, including the review and approval of the Compensation Committee Report as well as the CD&A.

CREF recognizes the limited content of the Compensation Committee Report and realizes that the detailed discussion of Ryland's compensation policies and practices for its NEOs is set forth in the CD&A. However, CREF believes it is important to obtain a shareholder advisory vote on the Compensation Committee Report as well as the CD&A in an effort to take a holistic approach to the compensation decision making process. The purpose of the Proposal is to hold Ryland's Board as well as its management accountable for the role of each in connection with the Company's executive compensation decisions

[18] See *WellPoint, Inc.* (pub. avail. Feb. 12, 2007)(Rule 14a-8(i)(3) is a basis to exclude a shareholder proposal seeking an advisory vote on the compensation committee report); *Entergy Corp.* (pub. avail. Feb. 14, 2007)(Rule 14a-8(i)(3) is a basis to exclude a shareholder proposal seeking an advisory vote on the compensation committee report); *Safeway Inc.* (pub. avail. Feb. 14, 2007) (Rule 14a-8(i)(3) is a basis to exclude a shareholder proposal seeking an advisory vote on the compensation committee report).

and related disclosure. Under the new executive compensation rules, management is responsible for the content of the CD&A and the board's compensation committee is responsible for reviewing the compensation disclosure included in the CD&A and approving its inclusion in the proxy statement. In order to hold the Board accountable for its decision to approve the inclusion of the CD&A in the proxy statement, the advisory vote must permit shareholders to vote on the Compensation Committee Report as well as the CD&A. Thus, to permit an advisory vote on the CD&A without also permitting a vote on the Compensation Committee Report would be insufficient.

Based on the foregoing analysis, it would not be appropriate to permit the Company exclude the Proposal in reliance on Rule 14a-8(i)(3).

IV. Conclusion

Ryland has failed to meet its burden of establishing that it is entitled to exclude the Proposal under either Rule 14a-8(i)(7) or Rule 14a-8(i)(3) of the Exchange Act. The Proposal does not relate to ordinary business matters because it pertains to the compensation of Ryland's NEOs as set forth in the CD&A and as approved by the compensation committee in the Board's Compensation Committee Report. In addition, the Proposal is sufficiently clear so that both shareholders and Ryland know what the Proposal asks Ryland to do, and the Proposal does not mislead shareholders regarding its effect. Accordingly, Ryland's request for a determination allowing it to exclude the Proposal under either Rule 14a-8(i)(7) or Rule 14a-8(i)(3) should be denied.

* * *

Should the Staff require any additional information or support, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the Staff's issuance of its response. Please do not hesitate to contact the undersigned at 212-916-5647 or Stephen Brown at 212-916-6930.

Very truly yours,

Hye-Won Choi
Head of Corporate Governance

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VIA UPS and FACSIMILE (202-772-9201)

January 15, 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 the College Retirement Equities Fund dated January 9, 2008 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 November 12, 2007 by the College Retirement Equities Fund (the "Proponent"). We received a letter from the Proponent dated January 9, 2008 (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's Response Letter. First, as we stated in our December 17, 2007 letter, the Proposal is excludable on the grounds that it is vague, indefinite and materially misleading because neither the stockholders voting on the Proposal, nor the Company in implementing the proposal would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires. The Proponent's Response Letter in fact supports our position as, like the Proposal and the supporting statement, it alternates between a focus on compensation policies and procedures on the one hand and the CD&A disclosure itself on the other. Accordingly, it remains unclear if the Proposal is seeking a vote on the adequacy of Ryland's proxy disclosure in the eyes of the shareholders or if there is some objection to one or all of the executive compensation policies discussed in the CD&A. The resolved clause of the Proposal seeks an advisory vote of shareholders "to ratify and approve ... the executive compensation policies and practices set forth in the Company's Compensation

Discussion and Analysis." The resolved clause clearly indicates that shareholders would be voting to approve Ryland's compensation policies. By contrast, the Proponent's supporting statement and Response Letter make it clear that the Proponent intends for the Proposal to serve as a referendum on whether the disclosure in the CD&A is adequate. In the Response Letter the Proponent states that shareholders should vote to ratify and approve the CD&A if it "provides detailed and meaningful information regarding the Company's executive compensation policies and practices...." This is inconsistent with a plain reading of the resolved clause and makes the Proposal so vague and impermissibly indefinite that it is contrary to Rule 14a-9, which prohibits materially misleading statements and may be excluded under Rule 14a-8(i)(3).

The Company also notes that such a determination regarding the adequacy of disclosure is subjective and not an appropriate subject for a shareholder vote. Disclosure that may be adequate in the mind of some shareholders may not be sufficiently adequate for other shareholders. Ryland has drafted the CD&A to comply with Item 402(b) of Regulation S-K and believes the CD&A clearly conveys its compensation policies. Further, a simple yes or no vote by shareholders will not indicate what portions of the CD&A are not sufficiently clear nor how the CD&A should be revised, which will only serve to magnify the problem.

As we stated in our December 17, 2007 letter, in Staff Legal Bulletin No. 14B, the Staff stated that a continuing basis for exclusion under Rule 14a-8(i)(3) is when:

> [T]he resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires — this objection also may be appropriate where the proposal and the supporting statement, when read together, have the same result.

The Response Letter submitted by the Proponent reinforces the conclusion that the Proposal is inherently vague and indefinite. The resolved clause seeks an advisory vote on the executive compensation policies included in the CD&A, yet the Proponent maintains that this is a vote on the adequacy of the disclosure in the CD&A.

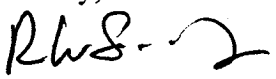
The second point we would like to address is that the Proponent refers in its Response Letter to several shareholder proposals presented during the 2007 proxy season regarding advisory votes on executive compensation. The shareholder proposals cited by the Proponent focused on the compensation of senior executives as disclosed in the Summary Compensation Table and in many cases specifically excluded disclosure in the CD&A. We believe these proposals do not support the inclusion of Proponent's Proposal because they are limited to an advisory vote on a discrete set of information about a company's most highly paid executive officers. By contrast, the Proponent's Proposal appears to ask for an advisory vote on all of the executive compensation policies and practices set forth in the CD&A, which covers employees

well outside of what are considered senior executives by the Company. As a result, the Proposal is excludable under Rule 14a-8(i)(7) as a proposal that involves general employee compensation matters.

Based on the Company's request for omission of this Proposal and the lack of merit or clarity offered 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.
DLA PIPER US LLP

cc: John C. Wilcox
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VIA HAND DELIVERY

January 25, 2008

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

Re: Shareholder Proposal of CREF; Request by The Ryland Group, Inc. for No-Action Determination

Dear Sir/Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the "Exchange Act"), the College Retirement Equities Fund ("CREF") submitted to The Ryland Group, Inc. ("Ryland" or the "Company") a shareholder proposal (the "Proposal") which reads as follows:

RESOLVED, that the shareholders of Ryland Group, Inc. (the "Company") recommend that the board of directors adopt a policy requiring that the proxy statement for each annual meeting contain a proposal, submitted by and supported by Company management, seeking an advisory vote of shareholders to ratify and approve the board Compensation Committee Report and the executive compensation policies and practices set forth in the Company's Compensation Discussion and Analysis.

In a letter dated December 17, 2007, Ryland stated that it intends to omit the Proposal from its proxy materials for the 2008 annual meeting of shareholders. We submitted a letter on January 9, 2008 responding to Ryland's letter (the "Response Letter"). On January 15, 2008, Ryland submitted a letter responding to our Response Letter (the "Second Ryland Letter").

We do not believe that the information set forth in the Second Ryland Letter changes the analysis set forth in our Response Letter. As a result, we respectfully refer the Staff to the Response Letter for our detailed analysis of the permissibility of the Proposal under the proxy rules. However, we would like to take this opportunity to briefly respond to Ryland's analysis regarding its request that the Proposal is vague and misleading and, therefore, may be excluded from Ryland's proxy materials in reliance on Rule 14a-8(i)(3).

We believe the Proposal clearly and simply states that the Ryland board *adopt a policy* of submitting to shareholders an annual non-binding advisory vote on the Compensation Committee Report and the disclosure contained in the Company's Compensation Discussion and Analysis. The Proposal merely asks the Ryland board to adopt a policy giving shareholders an advisory vote; the Proposal does not seek an actual shareholder vote on compensation. If the Company decides to adopt the policy, we are asking that the board and management craft a proposal that is clear in what it is asking shareholders to vote on. The goal of the Proposal is to give the Company full control of the advisory vote process. As previously stated, it is our intent to put the advisory vote mechanism into the hands of Ryland's management and board. We believe this is clear from the plain reading of the resolved clause.

In addition, shareholder proposals seeking an advisory vote on compensation have received significant levels of support during the last proxy season. Executive compensation is an issue of broad concern and is an important policy issue for corporate America. These proposals received majority support at Motorola, Verizon, Blockbuster, Clear Channel, Valero Energy, Ingersoll-Rand and Activision. The Proposal is analogous to the proposals submitted at these companies in that it seeks the adoption of a policy establishing an annual advisory vote.

As a result, we do not believe the Proposal is vague and misleading and should not be excluded in reliance on Rule 14a-8(i)(3).

* * *

Should the Staff require any additional information or support, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the Staff's issuance of its response. Please do not hesitate to contact the undersigned at (212) 916-5647 or Stephen Brown at (212) 916-6930.

Very truly yours,