Sisters of MERCY OF THE AMERICAS
Regional Community of Detroit

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July 23, 2007

Christopher Cox, Chair
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Commissioner Cox:

On behalf of the Sisters of Mercy, Regional Community of Detroit, I am writing to oppose the suggestion that the right of shareholders to sponsor advisory shareholder resolutions either be eliminated or further restricted. We urge the SEC to drop this concept before it gets to the proposal stage.

The Sisters of Mercy have been active shareholder advocates since the 1980s. We've raised concerns through letters and dialogue with companies, sponsorship of shareholder resolutions and as we've voted proxies. The process has been the means of establishing formal communication between concerned investors and management on social, environmental and governance issues.

As an institutional investor, the Sisters of Mercy own shares in some three hundred large, mid and small cap companies. We strive to invest responsibly AND to hold management accountable for its impact on the environment of local and international communities.

We understand that one idea is that advisory resolutions would be disallowed or further restricted but binding resolutions, such as by-law amendments, would be permitted. More than 95% of the shareowner resolutions filed in the last 35 years have been "advisory." We have seen that many of these resolutions have had an impact on business discussions and decision-making in corporate boardrooms. Often changes have occurred without the need for legislation.

At present an investor must have owned $2,000 worth of shares for a year in order to file a resolution. An increase to keep up with inflation to $5,000 or $10,000 may be acceptable, but if the minimum number of shares to file rises to $100,000 or $250,000 you have destroyed the right of small investors to be involved in sponsoring resolutions.

The voting threshold for resubmitting resolutions presently at 3% for the first year, 6% for the second and 10% for the third should be maintained. If the SEC reverts to a past proposal to establish thresholds at 10%, 20% or 30% for resubmissions, new issues will be difficult to surface. Additionally, it often takes two or three years for managements and Boards to realize the business impact of the issues that we raise e.g. universal health insurance, HIV/AIDS, transparency on corporate political contributions.

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A growing number of investors e.g. TIAA-CREF, New York City and State pension funds, religious investors, trade union pension funds, socially concerned mutual funds and investment managers engage companies in dialogue and file shareholder resolutions on governance reforms and social and environmental issues. The business case is sound. While, currently, risk and liability are disallowed, management often listens to these concerns. In addition, investors who do not sponsor resolutions and simply vote their proxies can attest to the importance of this process as fiduciaries since the SEC has noted that the proxy is an asset and needs to be treated accordingly.

The Sisters of Mercy believe it is our fiduciary duty as an investor to raise questions when a company's governance or social record is putting shareholder value in jeopardy. And clearly the sponsorship of an advisory resolution is one way to address an issue.

The 14a- system of advisory resolutions that the SEC has established is important to the U.S. system of corporate governance. To allow corporations to avoid this sort of safety-valve mechanism is unreasonable. Good communication and engaged dialogue with investors often make resolutions unnecessary as numerous companies can testify. Unfortunately, too often management ignores repeated letters or calls but is prompted to act when they receive a resolution.

We strongly oppose any move to take away shareholder rights to file precatory resolutions.

Yours truly,

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