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U.S. Securities and Exchange Commission
100 F Street, N.W.
Washington, D.C. 20549

Re: Roundtable Discussion Regarding the Proxy Process (May 7, 2007) - File No. 4-537

Ladies and Gentlemen:

I am writing to summarize in writing and expand upon the views I expressed on the Roundtable panel regarding non-binding proposals.

Non-binding proposals are currently included under Rule 14a-8. As such, non-binding proposals submitted by shareholders for consideration at a company's annual meeting are a creature of the SEC's proxy rules. In contrast, they are not expressly recognized as a matter of state corporation law and thus are normally subject to the discretion of management whether to permit their inclusion. As a result, non-binding proposals are rarely used outside of the context of Rule 14a-8 proposals (or negotiated arrangements reached with Rule 14a-8 as the backdrop).

The Rule 14a-8 process in which non-binding proposals are dealt with in the context of the annual meeting has resulted in a dysfunctional and expensive system for each of companies, shareholder proponents and the SEC, especially when inclusion of proposals are challenged. The current system has required extensive SEC staff time and attention to administer it and resolve disputes, it has added costs to private participants and it has enmeshed the SEC in basic state corporate governance. In addition, non-binding proposals distract from the important matters required to be dealt with at shareholder meetings and add to the bulk and unreadability of proxy materials. Also, they have been used to circumvent exclusions that would apply if a proposal were binding (for example, proposals that would be contrary to state law). All these disadvantages exist for something which, because it is non-binding, is not of fundamental consequence. Moreover, larger shareholders know how to make their views known without having to resort to non-binding proposals.

On the other hand, non-binding proposals, when properly used, serve an important purpose by permitting shareholders to make their views known and by avoiding more confrontational binding proposals. Thus, the focus should not be elimination of non-binding proposals but rather considering whether there is a workable system for shareholders to make their views known using modern electronic communications means that can effectively substitute for the current 14a-8 regime while avoiding its problems.

Some have suggested using an electronic chat room approach to permit shareholders to express their views. While there is nothing inherently wrong with a shareholder chat room, I do not believe it would be an adequate substitute for the current 14a-8 regime. Chat rooms tend to suffer from being casual, unfocused and undisciplined without necessarily leading to a meaningful conclusion. Moreover, participation can be haphazard and unreliable.

Instead, if any alternative is to be considered, I believe it should be based on an "American Idol" electronic voting model that presents a clear choice, operates under defined rules and results in an outcome that provides meaningful guidance and against which corporate responses can be measured. Such a model presents a number of questions:

- *Should the alternative be mandatory or voluntary?* I suggest starting with a voluntary pilot program that would allow companies to opt in to the alternative regime as a substitute for being subject to 14a-8 for non-binding proposals. Rule 14a-8 would still apply to binding proposals. This approach would permit testing the alternative to see if it works and if there are modifications that should be made. A voluntary opt-in approach also would eliminate issues regarding the SEC's authority to adopt the alternative approach. Although the board of directors would decide whether to opt-in to the alternative regime, the shareholders should be able to express their view on a non-binding basis using existing Rule 14a-8.

- *Who can submit proposals?* The ability to submit proposals and post comments on proposals would be controlled by a PIN number. Access would be granted to shareholders of record, non-objecting beneficial owners (NOBOS) and others who can demonstrate beneficial ownership. Minimum eligibility criteria could be established by the company subject to minimum standards that ensure reasonable shareholder access. I would allow companies to submit proposals as well in order to obtain shareholder guidance, although some limitations may be necessary to prevent companies from undermining shareholder proposals through its own proposals.

- *What subject matters can be covered?* The system should allow any non-binding proposal to be submitted subject to certain exclusions, including some that now exist under Rule 14a-8 but more limited that the current 14a-8 exclusions. For example, a proposal could be excluded if it involved a violation of law or the proxy rules, involved personal grievances or special interests, related to the election of directors (but not to structural proposals) or involved change-of-control matters (e.g., should the company be sold, but not whether defensive measures should be permitted apart from an actual control contest). However, a

subject that was not permissible under state law because it was an ordinary business operations matter or involved a management function would not be excludable.

- *When and how could proposals be submitted?* Establishing the ground rules could be left to the company subject to certain minimum standards. For example, a company could operate the system on a 24 hour/7 day basis or because of concerns over the burdens of monitoring the system it could specify a minimum period or periods for submissions. The company could establish other reasonable rules such as advance notice periods, the duration for a matter to remain open for voting and the rules for posting comments for and against proposals, again subject to minimum standards to ensure an opportunity for proper exercise and expression of the shareholder franchise. The company would be able to express its views on a proposal.

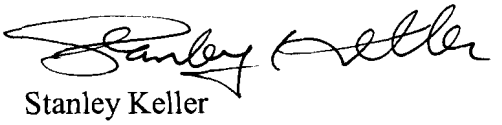
- *How would disputes be resolved?* The company would administer the system and serve as its webmaster. This would permit some editing so long as it did not impair the substance of the posting. To ensure the integrity of the process, disputes could be resolved through a streamlined private arbitration system, subject to limited recourse to the SEC.

- *Should there be accountability for the results?* The company would have to announce the results. In addition, it would be possible to require disclosure of management's response to a proposal and an explanation of the reasons for not implementing it if the proposal attracted a minimum level of shareholder participation (e.g., the equivalent of a quorum) and received more responses in favor than against (e.g., the equivalent of action at a meeting).

Such an alternative approach would clearly differentiate binding and non-binding proposals. The issue for binding proposals is whether, even if they are permissible as a matter of state law, the Commission should, as a matter of policy, use it as proxy authority to facilitate the particular proposal by mandating its inclusion in the company's proxy statement.

I appreciated the opportunity to participate in the Roundtable, and hope these thoughts are helpful. I would be happy to address any questions and to engage in further discussion.

Very truly yours,



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