



**THE DELAWARE BANKERS ASSOCIATION**

5 E. REED STREET \* SUITE 300 \* P.O. BOX 781 \* DOVER, DE 19903-0781  
(302) 678-8600 \* FAX (302) 678-5511 \* [www.debankers.com](http://www.debankers.com)

272

**BOARD OF DIRECTORS**

**CHAIRMAN**  
STEPHEN C. NELSON  
*President & CEO*  
Artisans' Bank

**CHAIRMAN-ELECT**  
PETER A. HORTY  
*President*  
Commonwealth Trust Company

**DIRECTORS**

BRADLEY A. HUBLEIN  
*Senior Vice President*  
Wilmington Trust Company

CARLOS J. MENENDEZ  
*Chief Financial Officer*  
Citicorp Credit Services, Inc. (DE)

PAUL H. MYLANDER  
*Chairman*  
Delaware National Bank

KATHLEEN M. ROBERTS  
*President*  
Discover Bank

JOHN W. SCHEFLEN  
*Vice Chairman*  
MBNA America Bank, N.A.

CONNIE BOND STUART  
*President & CEO*  
PNC Bank, Delaware

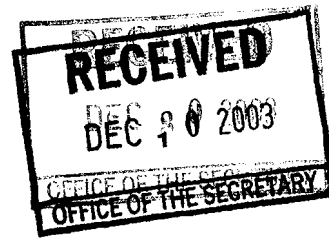
PATRICK J. WARD  
*Chairman & President*  
Citizens Bank (DE)

**PRESIDENT, CEO & TREASURER**  
DAVID G. BAKERIAN

December 9, 2003

Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609

RE: File S7-19-03



Dear Secretary Katz:

I write you today to voice my opposition to a shareholder access rule proposed by the Securities and Exchange Commission (SEC) that will add yet another layer of uncertainty to the operations of U.S. public corporations. These rules neglect both the potential damage they might cause and the serious degree to which they could take corporations off-track during recovery. And, besides, they're bad corporate governance.

Positive impacts of the Sarbanes-Oxley Act and related SEC rulemaking (for which the SEC should be commended) and the approved corporate governance listing standards of the NYSE and NASDAQ are cementing corporate America's dedication to improving corporate governance. And, while it is recognized that more work lies ahead, we should evaluate how these changes impact corporations' responsiveness to shareholders before mandating more new rules which will detract boards, raise corporate expenses and deter innovation.

Secondly, the breadth of this rule cast too wide a net, sweeping in not only corporate wrongdoers and companies unresponsive to their shareholders, but also companies that have consistently demonstrated responsiveness to their shareholders and a commitment to sound governance. In fact, many, if not all, U.S. public companies would be subject to the proposed rules, should they be enacted.

And thirdly, and perhaps most important, the proposed rule may open create a unintended consequence of creating a loophole whereby special interest groups can commandeer the director election process to the detriment of all shareholders. The involvement of these special interests will bring the worst of our partisan electoral system to the corporate boardroom, lead to acrimonious proxy fights, and produce badly divided boards that will have difficulty functioning as a team.

Among all its responsibilities, corporate boards are primarily responsible for the "big picture," especially in terms of oversight and return to shareholders. It will be difficult for a board composed of an uneasy collection of special interest directors to keep its eye on the "big picture" rather than the limited agenda of the specific group or minority interest that elected them.

Therefore, I submit my opposition to this proposed shareholder access rule and hope you'll give more time to existing laws and rules and then determine their impact. Only then should you take up consideration of any changes.

Very truly yours,

David G. Bakerian  
President, CEO & Treasurer  
Delaware Bankers Association

**PUBLIC REFERENCE COPY** **Public Reference**