

GREGORY F. LAVELLE
STATE REPRESENTATIVE
Eleventh District

483

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December 11, 2003

Mr. 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.

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.

Secretary Jonathan G. Katz

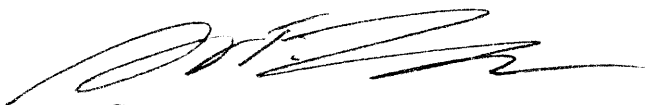
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Among all its responsibilities, corporate boards are primarily responsible for the "big picture," especially in terms of oversight and return to shareholders. It will be difficult for a board composed of an uneasy collection of special interest directors 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Lavelle', with a long horizontal flourish extending to the right.

Gregory F. Lavelle
State Representative
11th District