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CHAIRMAN'S  
CORRESPONDENCE UNIT

Stephen P. Holmes  
Chairman, President and  
Chief Executive Officer

January 30, 2007

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OFFICE OF THE SECRETARY

The Honorable Christopher Cox, Chairman  
The Honorable Paul S. Atkins, Commissioner  
The Honorable Roel C. Campos, Commissioner  
The Honorable Annette L. Nazareth, Commissioner  
The Honorable Kathleen L. Casey, Commissioner  
Securities and Exchange Commission  
100 F. Street, NE  
Washington, DC 20549-1090

**Re: Public Views Regarding Possible  
Changes to the Proxy Rules**

Dear Chairman Cox and Commissioners:

We are writing to urge the Securities and Exchange Commission to affirm a well-established corporate board nomination process and reject the notion of giving "special interest" shareholders the right to place their own candidates on corporate proxy ballots.

This issue is before the Commission as a result of the ruling in September by the U.S. Court of Appeals for the Second Circuit in *AFSCME v. AIG*. In that case, the court called for the Commission to provide an explanation of Rule 14a-8 (regulating shareholder proposals that concern the election of directors).

We respectfully request that the Commission reaffirm its long-standing interpretation of the rules and continue to allow companies to keep shareholder proposals off their proxies if the proposals "relate to director elections."

Existing SEC rules already provide important protections to shareholders in the proxy process. Any revision of existing rules at this stage would be untimely, unnecessary, and excessive for a number of reasons:

- Congressional enactment of the Sarbanes-Oxley Act of 2002 has resulted in significant reforms in corporate governance and securities regulation.

- Allowing activist shareholders to nominate directors in company proxy materials dramatically alters the traditional role of corporate management and dangerously tilts the playing field. Activists could effectively place their candidate on a corporate board to pursue a narrow agenda that is not in keeping with the interests of the corporation as a whole. These “special interest directors” would represent the interests of shareholders who nominate them, and not the interests of all shareholders.
- Permitting shareholders direct access to company proxy materials could turn every election into a proxy contest.
- The SEC has already proposed rules to permit issuers and others soliciting proxies from shareholders to deliver proxies electronically.

In conclusion, we believe that expanding shareholder proxy access would be unduly burdensome and disruptive to companies at a time when significant corporate governance reform has already occurred. In short, we urge the Commission to respond to the court ruling in *AFSCME v AIG* by reaffirming its current interpretation of proxy access rules.

Sincerely,



Stephen P. Holmes  
Chairman & CEO  
Wyndham Worldwide Corporation

cc: Scott G. McLester, Esq.