



Benedictine Sisters

P.O. Box 28037
San Antonio, TX 78228

210-348-6704 phone
210-348-6745 fax

September 24th, 2007

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

Re: S7-16-07 and S7-17-07

Dear Commissioner Cox:

*(Please read my comments
on chat rooms.)*

I am currently an intern with the Benedictine Sisters, Corporate Responsibility Program and I have seen the various shareholders filing resolutions. This process is a good one for the shareholders to interact with the various companies.

I will be a potential shareholder in the future.

It is with great dismay that I hear of your intent to make such drastic changes to the shareholder resolutions process. These would be my comments.

Thresholds for Resubmission

In release 34-56160, the Commission asks for comments on the resubmission thresholds for shareholder resolutions which presently stand at 3%, 6% and 10% vote levels for resubmitting resolutions. The SEC asks if a new threshold should be raised to a 10%, 15% and 20% level.

Our response:

I oppose these thresholds for resubmission.

Nomination to the Board

The first proposal, in release 34-56161, prohibits such a nominating process and would reverse a 2006 Federal Court decision. This court decision reversed an SEC ruling which omitted the AFSCME resolution from AIG asking for a vote on access to nominate directors. In short, this proposal prohibits the right of investors to nominate Directors for a vote on the company proxy.

The second proposal would allow shareholders to nominate on the proxy, BUT only if investors with 5% of the shares of the company banded together to present the nomination. This 5% level of shares required to nominate a Director is onerous.

Our response:

I oppose the prohibition on nominations of directors in the first proposal, and oppose the 5% threshold in the second proposal.

The Electronic Petition Model

Page 57 of release 34-56160 asks “Should the Commission adopt a provision to enable companies to follow an electronic petition model for non-binding shareholder proposals in lieu of 14a-8?” This question builds on the SEC Roundtable discussion of “electronic chat rooms.” The proposal suggests an electronic forum or chat room process should be a **substitute** for the right to file shareholder resolutions.

Our Response:

However, chat rooms and electronic forums must be additional tools of communication, combined with the existing right to file a resolution through the proxy process. I cannot support a substitution of one for the other.

After my chat room experience, I would never recommend one to anyone that wanted to have an actual conversation. If there are more than three people in a chat room, things can become confusing, words be misconstrued, and conversation comes out of order in a matter of minutes.

There are many people trying to convey their story and input at once. In a face to face meeting, you can have eye contact with one another to get a better sense of what they are trying to say. This would also help with not interrupting one another.

Another thing is the impact of hearing a voice as opposed to reading text. Words can be taken in a completely different way. For instance, say someone does not agree with what you want done. But after deliberating, the person says “I guess that sounds like a good idea.” One may take that as being sarcastic because of the way that they read the text. But in reality the person is being sincere.

The Opt-out Option

The SEC is asking for comments on the right of a company to “opt-out” of the shareholder resolution process either by seeking a vote of the shareholders to give them that authority OR, if empowered under State law, to have the Board vote to opt-out of receiving advisory resolutions

Our response:

I, as a potential socially responsible investor, would be opposed to any opportunities for companies to opt-out.

The severe curbs on shareholder input process put forward by the SEC are unacceptable. There is no documented problem or problems that would justify such extreme restrictions on shareholder rights. It would be better for the SEC to take no action on their shareholder resolution initiatives than it would be to irreparably harm a process that effectively informs our civic economy. In a democratic society, there needs to be more tools to engage with companies rather than less. The stockholder resolution has been such a tool since 1934.

Sincerely,

Kelsey Urbanczyk
Intern, Corporate Responsibility Program