**Benedictine Coalition for Responsible Investment**

September 28, 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:

We are a group of Benedictine monasteries which have formed a coalition so we can work together to use our portfolios to raise the questions of our day. We do believe in the process of shareholder advocacy. We have filed shareholder resolutions with a number of companies. This process has been a good one. It gives long-term shareholders, like ourselves and many others, the ability to question corporations about a number of concerns. We are willing to interact with companies to have corporate accountability and responsibility to the shareholders. We cannot understand why the Securities and Exchange Commission (SEC) would be proposing certain regulations and not be doing everything it can to ensure that shareholders have access to company proxies and other shareholders. This is a case needing more, not less access or transparency! Shareholders are owners of the company and bear that responsibility.

The shareholder process has stood the test of time. We are very concerned when we hear of your intent to make such drastic changes to the shareholder resolutions process. These would be our 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:

We oppose these thresholds for resubmission. We have seen how these proposals do have an impact on management's decisions, even when they are receiving 3%, 6% or 10%. Many companies have told us that the topics of the resolutions alert them to possible problems and concerns.

**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:**

**We 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. We cannot support a substitution of one for the other. While many of us may not have been in chat rooms to visit on the Web, our colleagues who have, tell us that this would not work. The décor of the chat room would not fit with the seriousness of the shareholder resolution process. We understand that in the chat room, people are nameless and faceless, emailing over one another and not listening. This would be no way to have a serious discussion of shareholder matters. Listening is a key component of Benedictine Spirituality. Why would we even think that a chat room could substitute for sending a resolution to the Corporate Secretary and interacting with management in the company?**

**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:**

**We, as socially responsible investors, would be opposed to any opportunities for companies to opt-out. This would create multiple systems or rules. Each company would/could make up rules. How would we, as shareholders, know what to expect? We cannot see how this would work. The SEC rules currently provide a means by which we know what to expect and how to interact with the companies through the filing of resolutions. The dates for filing are provided in the previous year's proxy. All parties interact according to the rules established by the SEC.**

There are many instances in the corporate world that show the effectiveness of the shareholders interacting with the companies. In a democratic society, we believe there needs to be **more** tools to engage with companies rather than **less.** The stockholder resolution has been such a tool since 1934. It has been an effective tool for both shareholders and management to bring about dialogue and change. We oppose these changes which are being proposed.

Thank you for your attention to this matter.

Sincerely,
Sr. Susan Mika, OSB
Corporate Responsibility Program

*Mount St. Scholastica*—**Atchison, Kansas** *St. Scholastica Monastery*—**Boerne, Texas**
*Benedictine Sisters of Virginia*—**Bristow, Virginia** *Benedictine Sisters of Perpetual Adoration*—**Clyde, Missouri**
*St. Scholastica Monastery*—**Fort Smith, Arkansas** *Benedictine Sisters of Baltimore*—**Lutherville, Maryland**
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