



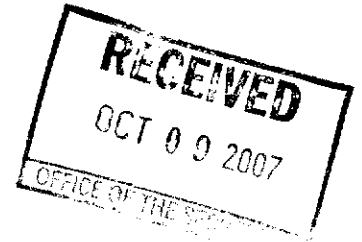
**AMERICAN
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October 5, 2007

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



RE: Comments on File Number S7-17-07

Dear Ms. Morris:

By way of email on October 2, 2007, David Baris of Kennedy & Baris, LLP sent comments regarding File Number S7-17-07.

As of today, his comments, a copy of which is enclosed, have not appeared on the comments received page. We would very much appreciate the addition of Mr. Baris' comments.

Thank you.

Sincerely,

Betty Pelton
Secretary

Thank you for taking the time to comment on this release.

Your comments for file number S7-17-07 were received on October 2, 2007.

Please save this page for your records.

Comments received from:

David Baris
Partner, Kennedy Baris
Bethesda, Maryland

Email: dbaris@kennedybaris.com

Comments:

Our law firm represents the American Association of Bank Directors, whose members are directors of banks and savings institutions and their holding companies. AABD supports the role of an independent board of directors in exercising their fiduciary responsibilities and opposes unreasonable or unnecessary regulatory restrictions and disincentives on the exercise of that independent role.

Sarbanes Oxley and the changes in the listing requirements of the NYSE and Nasdaq have achieved the objective of promoting the independence of public company boards of directors. These boards now have a majority of independent members, and the nomination committees of such boards consist solely of independent directors. An independent nomination committee is the key to the board being able to nominate directors who are independent of management.

AABD is opposed to the proposal to allow shareholders to place board nominations in company proxy statements (following shareholder approval of an amendment to the company's bylaws) in part because the proposal unwisely diminishes the independent role of the board. We expect that the activist shareholders (in our opinion, predominately those who wish to cash in as quickly as possible to realize short-term gain and thereby forego the long-term interests of shareholders and other important constituents of public corporations) will use this new-found power to increase the number of proxy contests over board seats and increase their chances of either seating their representatives on boards or unduly influencing the board to take actions that serve the short-term interests of certain shareholders and ignoring the long-term interests of other shareholders and other constituents.

AABD also anticipates that more and more public companies will go private as a result of regulatory changes that make it more difficult for boards and management to do their jobs. The addition of dissident directors to the board who have a diametrically opposed view of the future of the corporation from incumbents occasionally may produce positive results, but in most instances, the clash that will

inevitably follow will hasten the sale or dismantling of a company that from a long-term perspective had a bright future. By going private, a corporation's board avoids the regulatory changes altogether, and we predict that many will opt for that choice. At the same time, those companies that go private will effectively bar members of the general public (as well as pension funds of public institutions and unions) from investing in the company, and, unfortunately, the company may also forego some potential growth opportunities by cutting off access to the public capital markets.

In evaluating its proposal, the SEC should consider the unintended consequences resulting from the adoption of the proposal. A number of successful bank holding companies have gone private as a result of the Section 404 and other burdens of Sarbanes Oxley and its regulations. A threat to the authority of the board and its nominating committee to control the nomination process will inevitably cause other public companies to follow those who have already opted to deregister as public companies.

Sincerely,

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<http://www.sec.gov/cgi-bin/ruling-comments>