

July 20, 2007

Commissioner Annette L. Nazareth
Securities and Exchange Commission
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MMA[®]

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RE: SEC changes to Rule 14-a-8

Dear Chairman Cox,

As you know, the Securities and Exchange Commission is considering the release of a proposal on Proxy Access allowing for shareowner nomination of Directors at your meeting on July 25. We understand you may also consider changes to the Rule 14-a-8 shareholder resolution process. We fear that any proposed changes would have negative effects on investors rights and opportunities for shareholder advocacy. We ask that you reconsider such a proposal.

We at MMA are deeply concerned about this development. MMA is the stewardship agency of Mennonite Church USA (offices in Goshen, Indiana) with \$1.9 billion of socially invested assets under management. We are members of the Interfaith Center on Corporate Responsibility (ICCR), a coalition of 275 faith-based institutional investors whose combined assets exceed \$120 billion. It is through collaboration with ICCR members that we pursue shareholder advocacy. On behalf of the MMA family or organizations, our clients and constituents, as well as other faith-based and socially responsible investors, we urge you to oppose any changes that would weaken shareholder rights.

While the SEC may not move to **eliminate** the right to file resolutions, you may consider amendments to Rule 14-a-8 that would have a crippling effect on shareholder rights in the name of simply **“updating the Rule.”** But given the wave of corporate scandals and pressing social issues facing our planet, the right of investors to sponsor reasonable resolutions aimed at company reform should be strengthened not weakened. Such shareholder action is playing a critical role in the balance of economic forces and mitigating more troubling and costly forms of redress.

The important history of shareholder advocacy spans more than four decades in the United States. This advocacy, by individual and institutional investors, has had vital impact on environmental, social and governance reforms. Whether the issue was apartheid South Africa or climate change, vendor standards in overseas factories or Say on Pay, shareholder advocacy has resulted in demonstrable and significant change in company policies and practices. Thus we are particularly wary about proposed changes in the Rule that might restrict efforts to productively promote positive change.

One amendment apparently under discussion is the level of shares necessary to own in order to file resolutions. At present an investor must have owned \$2,000 worth of shares for a year. An increase to keep up with inflation to \$5,000 or \$10,000 may be acceptable, but if the minimum number of shares to file rises to \$100,000 or \$250,000 one will have essentially destroyed the right of small individual investors to be involved in sponsoring resolutions. And over the years the voice of small stockholders has had a meaningful impact, particularly on governance reforms.

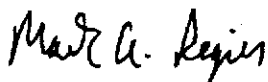
Another item being studied is the voting threshold for resubmitting resolutions which presently stands at 3% for the first year, 6% for the second and 10% for the third.

Again, a modest increase that would establish threshold levels in the area of 5%, 8% and 15% could be considered reasonable but if the SEC reverts to a past proposal and tries to establish thresholds at 10%, 20% or 30% for resubmissions, you make it much more difficult to raise new and critical issues with management which typically take some time to gain voting support and management's understanding.

Once again, the importance of the role of Rule 14-a-8 in encouraging and facilitating positive corporate reform cannot be underscored heavily enough. The supposed costs to corporations of sustaining this system pale in comparison to the benefits companies have received in terms of positive stakeholder engagement, innovative problem solving, and the opportunity to prevent loss of capital/opportunity caused legal settlements, legislation and community protests. Many corporations now point to the positive impact shareholder engagement has had on the direction and practices of the company--and its ability to develop sustainable financial returns.

These examples are why it is important not to propose amendments to the Rule that would unfairly restrain shareholder rights. I hope you will give this issue careful consideration. I would be happy to discuss these issues further at your convenience.

Sincerely,



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