

September 27, 2007

Christopher Cox, Chair  
Commissioners  
Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549-1090

**File Number S7-16-07**

Dear Commissioner Cox,

As the Leadership Team of the Sisters of Mercy of the Americas, Regional Community of Detroit, we write to express our strong support for the SEC regulations as currently written, which respect the fundamental right of shareholders to “appear at the [annual] meeting; to make a proposal; to speak to that proposal at appropriate length; and to have [his] proposal voted on.” (p. 7, SEC, 17 CFR Part 240, Release No 34-56160; IC-27913; File No. S7-16-07) Under state law, investors are guaranteed certain rights and access, which include the right to petition management, address all investors and file relevant proposals on governance and societal matters. This access is regulated through the Securities and Exchange Commission, which has developed a sound, functioning system over the years.

As an institution, the Sisters of Mercy of the Americas, Regional Community of Detroit, own a number of stocks and bonds in both U.S. and global corporations. We strongly believe that our financial resources must be used to promote justice. Since the late 1970s we have worked closely with other faith-based groups in sponsoring shareholder resolutions and participating in dialogues with corporations on a variety of issues critical to the well being of people throughout the world and to the health of the planet itself.

As Sisters of Mercy who are committed to act in solidarity with persons who are economically poor and who are engaged in a variety of ministries, including education, healthcare, housing, and other social services, we know first-hand how corporations influence political decisions and impact our society and environment. We also know that as shareholders we have not only a right but also a responsibility to influence the corporations whose shares we hold. Therefore, we have engaged in shareholder activity around a broad range of issues—domestic lending, corporate governance, human rights, global warming and climate change, political contributions, genetic engineering of seeds, depleted uranium and nuclear weapons production, foreign military sales, pharmaceutical pricing, and environmental cleanup.

The resolutions we file are advisory. Sometimes we are ignored. Often management agrees to meet with us and other shareholders and we are able to make some progress on the issue. This has been true on HIV/AIDS, lending to low-income census tracts for small businesses and affordable housing and a number of environmental issues. These changes would not have occurred if we had not filed resolutions and persisted with our requests for action.

Management and boards of directors have listened, talked with investors and voluntarily changed policies and practices. We did not have to go to Congress, state legislators or government agencies for change.

### **Stock ownership and voting thresholds**

The current regulation that requires investors to own \$2,000 worth of shares for one year before filing a shareholder resolution seems reasonable. The current thresholds for resubmitting resolutions should remain at 3% for the first year, 6% for the second, and 10% for the third. Resolutions that raise social issues such as genetically modified crops, use of depleted uranium and conservation of natural resources such as water, seldom receive strong support from banks, insurance companies and other institutional investors.

### **Reporting the vote**

The vote on a resolution is usually reported as a percentage of the votes cast. A preliminary vote is often announced at the end of the annual meeting, with the final tally listed in the 10Q. This procedure is satisfactory and should remain. The percentage should be based only on the votes cast. The total number of shares outstanding, some of which may be sitting in reserve, has nothing to do with the results.

### **Electronic forum**

As an alternative to the current shareholder proposal system, an electronic forum will exclude many investors. It is not an appropriate vehicle for investor communication or for raising concerns with management. The current system is far more useful and efficient. Faith-based and socially responsible investing networks coordinate their efforts so that corporations can address all the proponents of an issue in one setting.

The Sisters of Mercy Regional Community of Detroit believe it is our fiduciary responsibility as investors to raise questions when a company's governance or social record is putting shareholder value in jeopardy or causing harm to society and the environment. Clearly, the sponsorship of advisory resolutions is a sound, respectful way to address these concerns.

The 14a-8 process, which the SEC has established for advisory resolutions, is critical to the system of corporate governance that exists in our country. To abolish this process or to allow corporations or states to determine individual rather than universal mechanisms will disenfranchise investors and permit corporations to operate without regard for the global community. Management and boards of directors are operating in a global environment. These individuals cannot possibly know all of the issues and all of the impacts of their decisions or company operations. Investors who are well-informed and are willing to take action when it is in the interests of both the corporation and the larger society do so, are serving a vital business function. Thank you for your consideration.

Best wishes,

Leadership Team  
Sisters of Mercy Regional Community of Detroit

Gilmary Bauer, RSM  
Judith Frikker, RSM  
Margaret Platte, RSM  
LuAnn Mary Hannasch, RSM