

**Comments on SEC File No. S7-16-07
(Shareholder Proposals)**

It is my privilege to represent my organization's Marketable Investment Committee as the committee member who votes the proxies on shareholder resolutions. While Advocate Health Care does not presently file shareholder resolutions, taking a position on such resolutions is one means by which Advocate expresses its faith-based mission. As a healthcare organization affiliated with the United Church of Christ and the Evangelical Lutheran Church in America, we try to vote our proxies in ways that are consistent with our commitment to communities' health and with positions on certain issues taken by our affiliated denominations.

In this process, our committee is mindful of its fiduciary responsibility for our investments. Marketable investments are a significant source of income and substantially support our capital investment capability. We seek to maximize return even as we seek to be faithful to the moral commitments inherent in our organization's mission, values, and philosophy. We have found that shareholder resolutions raising concerns about what is fair and right, about how people and the environment are treated, are seldom incompatible with business success. In a long-term view, especially, ethical performance is not only compatible with, but is a condition of, sustainable financial performance.

In light of these premises of our investing, plus our experience in attempting to be a socially responsible investor, I find the current SEC proposals deeply troubling. They threaten to curtail the very activities that permit us to express our mission and moral commitments in our investment activities.

Allowing companies to "opt out" of the shareholder resolution process, for example, would only serve to insulate some companies engaged in socially questionable practices. It would prevent them from hearing significant voices that wiser—and successful—companies have learned to engage over the years. Further, if I understand it aright, the proposal to substitute internet conversations—chat rooms, or so it appears—for actual, vote-able shareholder resolutions makes a mockery of genuine participatory engagement.

For these reasons, and others, I urge the SEC to reconsider these ill conceived proposals. In reality, they appear to reflect the desire of some corporations to *disengage* from shareholders rather than accept the importance of responsive dialogue with them. This stance, which the SEC seems about to endorse, is not only unfortunate but ironic. Socially engaged investors, after all, are not out to undermine companies in which they themselves have invested. They seek the success of those companies. But they do not believe that asking a company to change—or simply reflect on—its practices is heedless disregard of its fiscal well-being, let alone an exercise in some sort of "tyranny of the minority."