

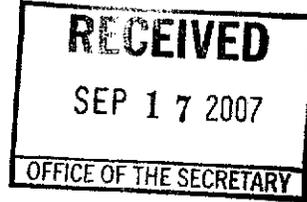
Ursuline Sisters of Tildonk

UNITED STATES PROVINCE
81-15 UTOPIA PARKWAY
JAMAICA, NEW YORK 11432-1308

RECEIVED
ES 12/803
2007 SEP 17 AM 11:44

CHAIRMAN'S
PROVINCIAL'S OFFICE (718) 997-0681
CURRENT PROVINCE OFFICE FAX: (718) 969-4275

September 07, 2007



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

Re: File Number: S7-16-07

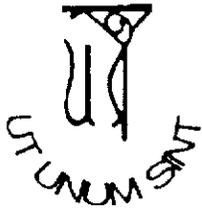
Dear Commissioner Cox:

On behalf of the Ursuline Sisters of Tildonk-U.S. Province, which has been an active socially responsible investor since the late 1970s, I am writing to support the fundamental right of security holders guaranteed them under state corporate law, federally established through the 1934 Securities Exchange Act and implemented through the rules and regulations of the Securities and Exchange Commission. That right, stated so well in your recent press release, is: "to appear at the [annual] meeting; to make a proposal; to speak on 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)

The Ursuline Sisters of Tildonk-U.S. Province is a small investor, which by the 1970s had created a retirement portfolio of U.S. corporate stocks and bonds. It was during this same time period that the leadership of Roman Catholic religious orders based in New York, New Jersey and Connecticut decided to create a coalition and seek membership in the Interfaith Center on Corporate Responsibility. The Ursuline Sisters filed their first socially responsible shareholder resolution at that time and, today, almost 30 years later, the program remains active. During the 2006-07 proxy season, the Congregation filed five SRI proposals. One of these was successfully negotiated, e.g. Pfizer, with respect to say on pay. In addition, we participated in some five to eight additional dialogues on issues of serious social, economic and business concern, e.g. Colgate-Palmolive and Procter & Gamble on HIV/AIDS global policies and Synagro on the impact of its South Bronx, NY solid waste facility on local communities and environment.

SUPPORT FOR PRECATORY RESOLUTIONS

The Ursuline experience with the SEC directives for filing resolutions is that the non-binding shareholder proposal process under Rule 14 a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934 functions smoothly. While regulations have modified and tightened over the past 30 years—for the most part, to restrict our rights as investors—shareholders, nonetheless, retain the prerogative to raise concerns in the public forum about social, environmental, governance and economic



Ursuline Sisters of Tildonk

UNITED STATES PROVINCE

81-15 UTOPIA PARKWAY
JAMAICA, NEW YORK 11432-1308

PROVINCIAL'S OFFICE: (718) 591-0681
FAX: (718) 969-4275

corporate impacts. We believe that the public forum of the annual shareholder meeting is the most appropriate for investors to interact with management and sometimes, the Board of Directors.

More than 95% of shareowner resolutions filed in the last 35 years have been "advisory." Corporations have the right to challenge subject matter and the investor's right to file the resolution. When they do so, the SEC Division of Corporation Finance has in place attorneys and processes to examine and rule on the logic. Investors, as well as corporations, have argued their cases and often, although not always, investors have been able to demonstrate that an issue—a corporate impact—has grown into a major public concern e.g. reduction of emissions; transparency on corporate political contributions; access and affordability of drugs. The SEC system works and has been set up in a manner that allows for development.

As an institutional investor, the Ursuline Sisters of Tildonk owns shares of some one hundred large, mid and small cap companies. We strive to invest responsibly and to hold management accountable for its impacts e.g. on fair lending policies at Citigroup and on the institution of policies and practices to ensure that children are not trafficked for sex in hotels such as the Hilton chain. Managements and Boards of Directors have listened, talked with investors and voluntarily changed policies and practices. It was not necessary for the investors to go to legislators or government agencies for regulatory changes.

SUPPORT FOR CURRENT \$2,000 WORTH OF SHARES FOR ONE YEAR

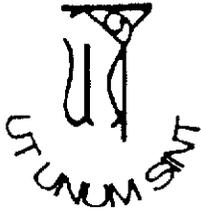
The Ursuline Sisters supports the current regulation that an investor must have owned \$2,000 worth of shares for a year. The value of the shares as well as the length of time for the shares to have been held before filing is reasonable. A small increase may be acceptable e.g. \$5,000 or \$10,000, but if the minimum number of shares to file rises to \$100,000 or \$250,000, you will have destroyed the right of small investors—of which the Ursulines are one—guaranteed under state corporate law, to sponsor resolutions.

SUPPORT FOR CURRENT VOTING THRESHOLD

The current voting threshold for resubmitting resolutions should remain. A significant number of independent investors must vote in favor of a resolution to attain the present 3% for the first year, 6% for the second and 10% for the third. This requirement has already been changed in the recent past. That change has not altered the imbalance between the numbers of shares held by faith-based institutions, SRI individuals and funds, individuals and other independent investors versus shares—typically voting management's recommendations—held by insurance companies, banks and other financial/corporate shareholders.

REPORTING THE VOTE

The votes are disclosed as a percentage of votes cast. A preliminary vote is often reported at the annual meeting with the final vote appearing in the 10Q. This is satisfactory and should be maintained. The



Ursuline Sisters of Tildonk

UNITED STATES PROVINCE

81-15 UTOPIA PARKWAY
JAMAICA, NEW YORK 11432-1308

PROVINCIAL'S OFFICE: (718) 591-0681
FAX: (718) 969-4275

votes should only be based on votes cast. The total number of outstanding securities, some of which may be sitting in reserve, has nothing to do with vote results.

ELECTRONIC FORUM DOES NOT MEET INVESTOR OR MANAGEMENT NEEDS

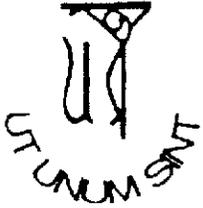
An electronic forum as an alternative to the current precatory proposal system will exclude many investors, particularly older individuals. It is not an appropriate vehicle for investor communication with management. The current system is useful and efficient—investors can expect a response within a reasonable amount of time. Additionally, in order to avoid a preponderance of investors addressing management on the same issues, the faith-based and SRI networks make a strong effort to coordinate and inform one another so that a corporation may respond to all proponents of an issue in one setting. Many corporations and investors over the years mutually have agreed to follow coordinating procedures e.g. ExxonMobil, Monsanto, Bristol-Myers Squibb. Furthermore, NGOs have joined with investors to bring concerns to the table e.g. Dow, Synagro, Choice Hotels, Freddie Mac.

The electronic forum is not a proven technology for corporations to interact with investors. It is fine to allow the process as an experiment but the reality is that the Ursuline Sisters and colleagues have researched corporations' websites and been unable to find policies referred to in letters or in dialogues. As an investor, which seeks to reduce large quantities of paper, we often suggest that corporations issue reports on their websites and give us the links. Furthermore, as this investor has read them, the guidelines proposed in the release are complicated, full of exceptions and in light of Congressional attempts to control the Internet, may not comport with future legislation.

PRECATORY PROPOSALS DETERMINED BY STATE AND/OR CORPORATION

For these reasons, the Ursuline Sisters of Tildonk believe the current precatory proposal regulations established by the SEC should remain in force. The federal government has legislated oversight of corporations. The rules and regulations for the system work. To dismantle the regulatory system would serve neither corporations nor investors. It is likely that there will be a series of civil lawsuits to clarify what corporations may be held accountable to report or to take action. The corporations operate in many states. It is not inconceivable that a state legislature would develop its own guidelines e.g. many states have passed or are considering anti-predatory lending rules, emissions standards, universal healthcare objectives. Nor is it inconceivable that city and other local government agencies, which have privatized formerly government functions, e.g. waste processing, would impose their requirements.

Currently, SEC attorneys judge arguments for and against inclusion of a proposal in a company's proxy statement. There is no need to complicate the process by introducing an additional layer, which would in its turn require SEC attorneys make judgments about management responses to investors' electronic requests. The system works as currently established.



Ursuline Sisters of Tildonk

UNITED STATES PROVINCE
81-15 UTOPIA PARKWAY
JAMAICA, NEW YORK 11432-1308

PROVINCIAL'S OFFICE: (718) 591-0681
FAX: (718) 969-4275

The 14a-8 system for advisory resolutions, established by the SEC, permits implementation of a sound business practice, which is important and central to the U.S. system of corporate governance. To abolish the precatory resolution process and allow corporations or states to determine individual rather than universal mechanisms will disenfranchise investors. Managements and Boards of Directors are operating in a global environment. Knowledgeable, responsible investors, such as those in the faith-based and broader SRI community, serve an important and sound business function.

Thank you for your attention.

Yours truly,

Margaret M. Barrett, OSU
President

VH/et

cc: Valerie Heinonen, OSU