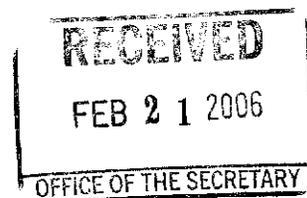


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February 8, 2006

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: Internet Availability of Proxy Materials
Proposed Rule S7-10-05; Release No. 34-52926

Dear Mr. Katz:

My comments below respond to proposed Rule S7-10-05.

I. Opposition to Changes in How Non-Issuers Conduct Proxy Solicitations

While I support allowing use of the Internet for proxy solicitations by issuers, I oppose the proposed parallel changes in how non-issuers conduct proxy solicitations. Although the proposed Rule would provide shareholders with a more cost-effective means to undertake their own proxy solicitations, this benefit should be weighed against the costs of the increase in the volume of solicitations that would result from lowering barriers to proxy solicitation as well as the special considerations relevant for proxy contests, the topic of the second section of this letter. On balance, I think the costs to shareholders and issuers, including those from increased solicitations, exceed the benefit from a more open forum. Because the proposed rules can reduce the costs of proxy solicitation practically to zero for soliciting persons, in certain circumstances the number of marginal or frivolous solicitations could be significant. Furthermore, the system as it currently stands already allows important shareholder matters to be proposed.

The proposed Rule invites a higher volume of proxy solicitations because a soliciting person can pursue a nearly costless limited solicitation. In addition to permitting a person conducting a proxy solicitation to limit the solicitation to shareholders willing to access the proxy materials electronically, without any obligation to deliver paper or e-mail copies of the proxy materials to anyone, the proposed Rule opens up other options for reduced cost proxy solicitations unavailable to issuers, all of which could result in an increase in the number of marginal solicitations.

One type of these marginal solicitations could be an extension of already increasingly common "social" resolutions, such as global warming resolutions requiring boards to create committees to investigate the impact of global warming on a company's policies. While they

deal with important issues, these social resolutions rarely result in consideration of business issues new to management. Making such "social" resolutions, and other shareholder resolutions, cheaper and easier to propose could encourage those seeking to increase awareness of their issue to bother shareholders and the company when there is no legitimate corporate issue involved. By contrast, with issuers there are not the same dangers associated with decreasing the cost of proxy solicitation, and these savings will be passed on to shareholders.

II. For Proxy Contests, All Materials Should Be Sent in Paper Form

In the event of a proxy contest, when the control of the firm is at stake, all materials should be sent in paper form to ensure a readily available paper audit trail, avoid delays in shareholders' receipt of paper materials after requesting them, and provide everyone with more accessible information.

While e-voting proponents insist that no paper trail is ever needed, political elections in particular have exposed the problems that can arise. There have been many stories about e-voting problems, when due to failure to properly update software or other reasons, votes are mixed up or lost, and it is impossible to recreate the original vote count. Reflecting these concerns, in November 2005 the Wisconsin State Assembly passed a bill, with only four dissenting votes, that would require that electronic voting machines create a paper record. Even if corporate e-voting can be distinguished from political e-voting, the increased transparency of a paper trail is comforting to have—at least until e-voting has a longer track record—for votes which decide the control of the company.

Another reason supporting the sending of paper materials in proxy contests is that such contests often involve a number of communications from both the issuer and the other soliciting person, and time is likely to be at a premium in such situations. The SEC's proposed model provides insufficient time for shareholders seeking paper materials to obtain them from a soliciting person in the context of a proxy contest. While it may be possible to fine companies that do not have sufficient infrastructure, or otherwise fail, to send paper materials on request in a timely fashion, fining a challenging party in this way may prove difficult or appear to be an unfair entrenchment of public company management.

Finally, people are much more likely to want paper materials for something as important as a fight over control of the firm. Here the benefits of giving everyone materials that they are more likely to look at and digest outweigh the costs associated with additional printing and mailing.

Thank you for your consideration of these points and comparisons from one who serves on 3 public company boards.

Very truly yours,



W. Arthur Porter