

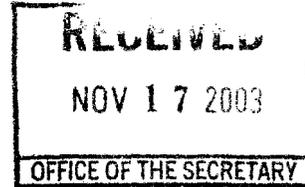
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MALCOLM S. MORRIS
Chairman

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Shareholder

Enhancing the Real Estate Transaction Process

November 6, 2003



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

Re: File No. S7-19-03 (Security Holder Director Nominations)

Dear Mr. Katz:

Stewart Information Services Corporation appreciates the opportunity to comment on the Securities and Exchange Commission's proposed rules regarding security holder director nominations. In our opinion, the proposed rules would have a deleterious effect on public companies and their boards of directors.

First, the proposed rules would allow special interest groups such as institutional investors to elect special interest directors. Institutional investors serve certain constituencies that may have interests that conflict with the best interests of the company. These investors do not have any obligations or duties to the company and will seek to satisfy their members. In doing so, they will elect directors to serve their particular interests. These special interest directors could wreak havoc on the boards of directors of the public companies on which they serve. They will owe allegiance only to their special interest groups and would act and vote accordingly. This would result in a balkanized board that would have great difficulty functioning as a team.

Second, the proposed rules would create disruptive annual election contests and would require companies to expend more resources. Companies would first need to determine whether the nominating security holder or group has complied with the proposed rules. If so, then the companies must include the same disclosures and information regarding the stockholder nominees that they do for their own nominees. Election contests already cost companies large amounts of money without all of the extra work and requirements of the proposed rules. The proposed rules would only increase the enormous costs without adding any benefits.

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Third, cumulative voting, which is in effect at our company, already provides stockholders with an avenue for electing directors. It is relatively easy for a minority group of stockholders to pool their votes together in order to get a director elected using cumulative voting. Thus, there is no need to radically change the current system since an effective alternative exists.

Finally, allowing stockholders to nominate directors is too drastic a measure. Stockholders have a number of less intrusive methods at their disposal with which they can make their views known to management. A particularly effective method is a stockholder proposal. Sometimes a stockholder proposal is all that is needed to get management to begin a dialogue or to convince management to come to the bargaining table. In those instances, the stockholder proposal may never even come to a vote. Stockholders can put enough pressure on management that the company will agree to make the change without going through the proxy process, which would save the company substantial expenditures of time and money. Other methods that stockholders can use are voting against management proposals, making public statements, and meeting with management or other stockholders to discuss the issues that concern them. These would be preferable means of influencing companies since these methods would not have the same potential for detriment to the companies.

We would be happy to discuss our comments or any other matters with you or the Commission's staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Malcolm S. Morris". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Malcolm S. Morris
Chairman and co-Chief Executive Officer

MSM:jdc