

273

Jim Gale

538 Orchard Street P.O. Box 746 Standish. MI 48658

Secretary Jonathan Katz S7-19-03
U.S. Securities and Exchange Commission, 450 5th Street, NW
Washington, DC 20549



Dear Secretary Katz:

The Securities and Exchange Commission's newly proposed shareholder access rule is yet another bureaucratic intrusion on corporations. Instead of going into the rather obvious question of why the government should have the power to tell corporations how to choose their boards of directors in the first place, let's go into how the rule is simply impractical. Currently, thanks to a flood of new regulations on corporate governance, directors now have to be nominated by independent nominating committees.

If enacted, this new shareholder access rule would force corporations to allow particular shareholders who meet a set of criteria to nominate their own directors for the board. The problem here is that this enables special interest groups to try to politicize the director selection process. With all of the recent corporate scandals, it would seem that anything with the name 'shareholder access' on it would be beneficial. However, one can't ignore the fact that if special interest shareholders are allowed to put their own directors on the board, then the probability for division and focus on personal agendas vastly increases.

I've personally invested in stocks for the last 20-25 years. Now that I'm retired, my wife and I live almost entirely off the income generated by these investments. It would be disastrous if our investments' values start decreasing because the SEC starts forcing corporations to allow unqualified or special-interest-driven directors on their boards. Please reconsider enacting this shareholder access rule.

Sincerely,

A handwritten signature in cursive script that reads "Jim Gale".

Jim Gale
11-21-2003