



# GALEN ASSOCIATES

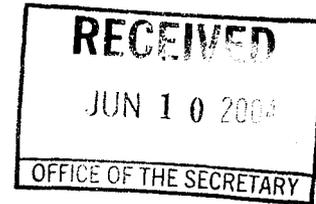
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WILLIAM R. GRANT  
CHAIRMAN

May 12, 2004

William H. Donaldson  
Chairman  
SEC  
450 Fifth Street, N. W.  
Washington, D.C. 20549

57-19-03



Dear Bill,

As we unfortunately walk down the road of increasing regulation of public corporations I hope that the SEC might require the same depth of disclosure and transparency for the purpose of new proxy resolutions as now required of the management, directors and company.

Let me be specific. Any group with a proposal should be required to:

- Define the background of the organization
- The presenters background and compensation.
- List their financial supporters.
- List of the securities owned by whom professionally and personally.
- Specific reasons that their proposal will benefit shareholders.
- Any arrangements with law firms and other groups.
- Lastly, in the case of recommendations and ratings by consultants (ISS, et al), their ownership, compensation, etc.

If there is no such control and we have open season on corporations, new board members will be even harder to find than the current shortage of experience. I have no problem with an easier election of directors only with the cost in time, money and process by anyone with their own agenda.

Sarbanes-Oxley seems to imply that a perfect independent director is one who

- Doesn't know a stock from a bond.
- Has never owned one.
- Doesn't know the difference between NYSE and NASDAQ.
- Has never sat on a board.
- Knows nothing about the industry.
- Knows none of the other directors.

Thus with no conflicts he/she can function in perfect ignorance and be the completely independent director. Productivity comes from experience and knowledge. Ethics from understanding how to properly manage such assets for shareholders.

All the best.

William R. Grant

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