

# THE CLEAN YIELD GROUP

June 22, 2007

Christopher Cox, Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

RECEIVED  
ES 12096  
JUL 02 2007 AM 11:40  
P.O. Box 117  
Garvin Hill Road  
Greensboro, NC 27407  
(800) 809-6439  
Fax: (802) 533-2907  
www.cleanyield.com  
SECRETARY'S OFFICE

RECEIVED  
JUL 02 2007  
OFFICE OF THE SECRETARY

Re: File No. 4-537; Proposal to restrict precatory shareholder resolutions

Dear Commissioner Cox:

The Clean Yield Group is an SEC-registered investment advisory firm. Since our company was established in 1985, we have been evaluating investments in consideration of social, environmental, and governance, as well as direct financial factors. In addition, over the years, on behalf of shareholding clients, we have proposed a number of proxy resolutions.

We are alarmed by conversations at recent SEC Roundtable meetings centering on further limiting—or even eliminating—the right of shareholders to propose precatory resolutions.

The success of American enterprise is based in some measure on the fundamental tenet that shareholders are owners. As such, they deserve not only the ability to simply sell their ownership shares, but the right to communicate with company management about how best to add shareholder value. In other words, just as investors must be kept informed by companies, companies need to be informed and advised by investors. In areas where there are potential conflicts of interest between managers and shareowners—board and executive compensation, to name two—the shareholders' inherent right to meaningful dialogue is particularly apparent.

Certainly, the actual filing of shareholder resolutions is only one means of communicating with management. Letters, informal telephone communication, and proxy voting can also be effective. But the right to file shareholder resolutions underlies all other forms of communications, for management must acknowledge such resolutions (if appropriate and properly filed). For decades, this right has spurred constructive dialogue of many forms, and we firmly believe, has improved immeasurably the long-term value of many, many businesses.

In the interest of space, here is but one example of constructive dialogue stimulating better business practices. Five years ago, a Clean Yield client filed a resolution requesting a report on the policies of Hain Celestial Corporation in relation to genetically modified food ingredients. Hain management opposed the resolution, and it received a 22% vote. However, recognizing that Hain needed to be responsive to growing shareholder and

customer concern about GMOs, the company contacted Clean Yield about developing an effective policy. Though not expert ourselves, Clean Yield was able to help in bringing together a team of experts to work with Hain's staff. Ultimately, Hain put forward a thoughtful, balanced policy that, according to management, has served it well.

We suggest that if the idea to restrict advisory proposals becomes a formal rulemaking proposal, there will be vigorous opposition from both individual and institutional investors. The Clean Yield Group urges the SEC to drop this concept before it gets to the proposal stage.

Kindly put us on record in opposition to any move to take away shareholder rights to file precatory resolutions.

Yours truly,

A handwritten signature in black ink, appearing to read "Rian Fried", written in a cursive style.

Rian Fried  
President