



F&C Management Ltd.

30 Rowes Wharf
Suite 540
Boston, MA 02110

Telephone 617 426 9050
Facsimile 617 426 3433

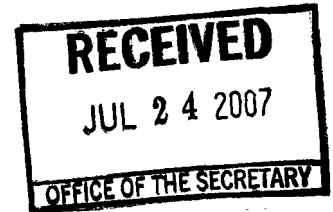
RECEIVED
ES 12/238
2007 JUL 23 11:44

CHAIRMAN'S
CORRESPONDENCE UNIT

July 19, 2007

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

Re: File No. 4-537



Dear Chairman Cox,

I write today on behalf of F&C Management Ltd. to urge the Securities and Exchange Commission to take steps to increase shareholders' access to the director nomination process while preserving the rights of shareholders to file precatory proposals under Rule 14a(8). F&C supports regulatory approaches that increase investors' ability to communicate with the directors of their companies and that enhance the accountability of these directors to shareholders.

F&C is one of the four largest active managers in the UK, with just over \$200 billion dollars¹ in assets. Our headquarters are in London, and we have substantial holdings in US corporations. F&C also has a Boston office from which we direct all proxy voting and corporate governance activity for our US holdings.

F&C welcomes the announcement that the SEC is considering ways to enhance shareholder access to the board election process. This is a positive development for addressing what we regard as the fundamental lack of board accountability that is currently embedded in US board election regulations. Serious shareholders should have a mechanism for ensuring that their interests are more fully represented on boards, a mechanism that does not require aggressive and expensive take-over attempts. In fact, serious shareholders should have an obligation to nominate directors when there are failures in running companies. F&C firmly disagrees with mechanisms to protect board members from criticism or replacement. A board's best protection is to run the company well on behalf of shareholders.

For this reason, we urge the SEC to consider improvements to the board election process that will enhance access. We understand that the Commission is considering changing rules so that shareholders must have 5% of shares in order to propose by-law changes related to director nomination. We believe that this threshold is too high due to the fact that ownership of US corporations is far less concentrated than other markets. Even the very largest investors will have trouble mustering such a position, which means that this change would give greater leverage to hedge funds and disadvantage medium and long-term investors.

¹ As of 31 March 2007.

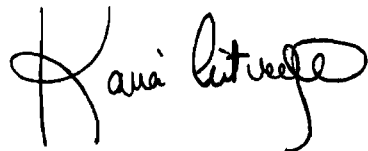
In fact, we would recommend that the SEC consider adopting a model that allows a widespread coalition of shareholders to nominate a Board member. One successful model that the Commission might consider is that of the UK, where the standard is 100 shareholders with a common ownership position of at least £10,000 nominal or one large ownership position. This British concept translates to varying values, often between £100,000 and £500,000. While the SEC might elect to set the thresholds at a different level to account for the specific American context, we believe that an option for broad-based investor support might be an appropriate addition were the committee to adopt a 5% threshold rule.

In addition, we understand that the SEC may be considering rules to curtail the use of Rule 14a(8), thereby making it much more difficult for shareholders to file precatory resolutions. While we would support updates to the rules to bring the ownership levels in line with inflation, we urge you to *avoid fundamental changes that would prevent shareowners from accessing the proxy via advisory proposals.*

We consider shareholder rights to be far more limited in the US than they are in the UK and in other developed markets. Therefore, the precatory shareholder resolution process plays an important role in facilitating communication between owners and companies. We would oppose SEC proposals that curtailed this avenue without a substantial and fundamental strengthening of shareholder rights.

We thank you very much for your attention to this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Karina Litvack". The signature is fluid and cursive, with the first name "Karina" written in a larger, more prominent script than the last name "Litvack".

Karina Litvack
Director, Head of Governance & Sustainable Investment

cc: Rupert Della-Porta, Head of US Equities, F&C Management