



## Ursuline Sisters of Tildonk

UNITED STATES PROVINCE  
81-15 UTOPIA PARKWAY  
JAMAICA, NEW YORK 11432-1308

PROVINCIAL'S OFFICE: (718) 591-0681  
FAX: (718) 969-4275

August 13, 2009

Ms. Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

### **Re: Facilitating Director Nominations (File No. S7-10-09)**

Dear Secretary Murphy:

On behalf of the Ursuline Sisters of Tildonk, U.S. Province, I support the Securities and Exchange Commission's proposed rule, *Facilitating Shareholder Director Nominations*. This financial crisis demonstrates that some boards, particularly in the financial services industry, failed to protect long-term shareholders' interests and that there is serious need to strengthen accountability of boards and management.

The Ursuline Sisters of Tildonk believes long-term shareholders should have the right to nominate directors. It would end the effective monopoly of board and management to determine director slates and will lead to more effective oversight of U.S. publicly traded companies' boards. We agree with the SEC that reforms outlined in the SEC's proposed Rule 14a-11 and revisions to Rule 14a-8(i)(8) are long overdue and should be made effective immediately. We support application of Rule 14a-11 as proposed and welcome the opportunity to comment on additional points.

We agree with the SEC position that the proposed rule should:

- Permit shareholders to aggregate holdings to meet the minimum share ownership thresholds.
- Grant only long-term shareowners, those holding stock for at least one year, access to nominate directors.
- Employ safeguards to ensure that access is not used as a takeover mechanism by short-term profit seekers.
- Outline strong independence standards for director nominees.
- Require full and accurate disclosure by nominating groups, including pertinent information about nominated directors.

- Allow nominating shareholders to make statements of opposition against the election of other board members on the company's slate in the proxy statement.
- Authorize shareholders to file resolutions related to the issue of board elections.
- Become effective immediately without a lengthy implementation period, associated triggering mechanism or exemption or delay for smaller issuers.

We also have comments on three additional features of the proposed rule:

- **Priority access:** We favor an approach whereby the largest beneficial owner or group of owners gain proxy access, as opposed to awarding access to the first shareholder or group of shareholders filing. Our concern is that a first come, first serve approach might force shareholders to rush to file and result in a less thoughtful process than is otherwise possible. We also believe that the investor or group with the greatest stake in the director election and the company's long-term financial performance should prevail in these situations.
- **Failed nominations and resubmitting candidates:** We believe that there should not be any waiting period for resubmitting candidates failing to win election to a board.
- **Shareholder proposals:** We oppose permitting companies subject to Rule 14a-11 to exclude shareholder proposals that they otherwise would be required to include. We firmly believe that shareholder proposal rule 14a-8 opens dialogue between management and shareholders on environmental, social and governance issues that have significant consequences for long-term shareholder value as well as society.

We agree with our colleagues that the case for proxy access is based on equity, good governance, transparency and accountability. The Ursulines of Tildonk support the SEC's approach and appreciate the opportunity to express our views on this matter of proxy access.

Yours truly,

A handwritten signature in cursive script that reads "Valerie Heinonen, o.s.u." The signature is written in dark ink on a white background.

Valerie Heinonen, o.s.u.  
Consultant, Corporate Social Responsibility