



August 23, 2010

Mary L. Schapiro, Chairman
Luis A. Aguilar
Kathleen L. Casey
Troy A. Paredes
Elisse B. Walter
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Facilitating Director Nominations by Shareholders

Dear Chairman Schapiro and Commissioners Aguilar, Casey, Paredes and Walter:

I am writing to encourage the Commission to adopt at least a 5 percent ownership threshold and a two-year net long holding period as part of any final rule to allow shareholder access to company proxy statements in the event the Commission decides to adopt such a rule.

We understand the importance of meaningful shareholder rights to nominate and elect directors. For example, Cardinal Health recently changed to annual director elections with a majority voting standard. But we do not think that proxy access is appropriate and believe that it would actually undermine board effectiveness and promote a focus on short-term objectives. If the Commission nevertheless adopts a proxy access rule, we encourage the Commission to establish ownership thresholds that properly balance the rights of an individual shareholder to nominate directors with the interests of all shareholders.

We are very concerned that shareholders using proxy access and their director nominees will pressure companies and boards to focus on short-term strategies at the expense of long-term interests and promote specific agendas that demand the board's attention and distract it from addressing more important issues. The presence of even a single director committed to the advancement of a narrow agenda or single issue can disrupt the overall effectiveness of the board. Board effectiveness and long-term focus is especially vital in the current fragile and uncertain economic recovery.

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In view of the significance of proxy access, we believe that access to company proxy materials should only be available to significant, long-term shareholders and **urge the Commission to establish an ownership threshold of at least 5 percent and a two-year holding period.** We also believe that shareholders should not be allowed to borrow shares to meet the requirement; rather they should have a “net long” position for the holding period. Further, we would prefer that shareholders not be able to aggregate shares with other shareholders to meet the ownership threshold, or if they are able to aggregate shares, the ownership threshold be increased to 10 percent. A lower threshold will foster the ability of special interest groups to pursue narrow agendas.

It is not unusual for large issuers to have highly concentrated stock ownership, nor is it difficult for larger investors to acquire and hold positions well in excess of our recommended 5 percent ownership threshold. For example, three to four shareholders at Cardinal Health have satisfied the 5 percent ownership level in each of the past four years. Currently, approximately 20 of our shareholders own more than 1 percent of our stock. A 5 percent ownership threshold and two-year holding period provide greater assurance that large, long-term investors are seeking to nominate a director.

Thank you for taking the time to consider our views on this important issue.

Sincerely,



George S. Barrett