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October 1, 2007

Nancy Morris  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**Re: Comment on File Number S7-16-07**

Dear Ms. Morris:

On Behalf of Rockefeller Philanthropy Advisors (RPA), I am writing to comment on File Number S7-16-07, the Release proposing amendments to the Rules under the Securities and Exchange Act of 1934 concerning shareholder proposals and electronic shareholder communications. This Release addresses access to the proxy for the nomination of directors as well as shareholder proposals. It is on the latter topic that I wish to provide comments. Specifically, as an investor and a philanthropic organization that takes seriously our responsibility to be engaged and informed, we feel strongly that the SEC's suggested proposals to eliminate or curtail the shareholder resolution process should not be adopted.

RPA's reasons for taking this position stem from our day-to-day work. Our mission is to help donors create thoughtful and effective philanthropy around the world. We work with a spectrum of clients who manage assets in private foundations, charitable trusts, and charitable gift funds. By the end of this year, RPA will advise and/or execute \$200 million in grants and gifts on behalf of our clients. These grants and gifts are generated by billions of dollars of assets (much of which sits in shares of publicly traded companies).

By their very nature, charitable entities, especially foundations, are mission-driven organizations. They involve themselves in finding and funding solutions to social problems. As a credible extension of their mission and their desire to ameliorate social problems, we encourage our clients, if appropriate and constructive, to vote their proxies in alignment with their philanthropic mission. RPA has also been an advocate to the larger U.S. philanthropic community (some 70,000 private foundations with total assets in excess of \$600 billion) about becoming more active as shareholders in companies where their business processes and transactions influence a broad range of issues.

RPA considers the proxy process to be a vitally important tool in communicating with the Board, management and other investors on key issues such as climate change, workforce diversity, executive compensation, human rights in overseas factories and governance reforms.

There is a long history of positive results from shareholder resolutions, demonstrated by companies making specific reforms, changing policies and increasing transparency. Annually, approximately one-quarter to one-third of resolutions are withdrawn because constructive dialogue with companies results in win-win agreements. The rising support for votes for shareholder resolutions across a range of environmental, social and governance topics is evidence of the mounting importance of shareholder resolutions to the general investing public.

The SEC asks for comments on the right of a company to “opt-out” of the shareholder resolution process, either by obtaining approval from shareholders through a proxy vote, or, if sanctioned under State law, by having a Board vote authorizing it to opt-out. Either option would have significant negative consequences. The most unresponsive companies would be most likely to opt out because resolutions are an important mechanism to strengthen corporate accountability. Additionally, the lack of uniform rules that would result from an opt-out option would be a complicating factor for both investors and companies.

The Release asks, “Should the Commission adopt a provision to enable companies to follow an electronic petition model for non-binding shareholder proposals in lieu of 14a-8?” We strongly oppose this proposed change. The current resolution process ensures that management and the Board focus a reasonable amount of attention to the issue at hand as they must determine their response to the shareholder proposal. In addition, each and every investor receives the proxy and has the opportunity to consider the issue. To substitute a chat room or other form of electronic petition for the current proxy process erodes significantly a valuable fiduciary responsibility. Chat rooms and electronic forums are welcome approaches for enhancing communication with investors, but not at the expense of a shareholder’s right to file resolutions.

In its Release, the Commission also asks for comments on increasing the votes required for resubmitting shareholder resolutions to 10% after the first year, 15% after year two, and 20% thereafter, compared to current thresholds of 3%, 6% and 10%, respectively.



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Raising the thresholds as proposed would make it much more difficult for investors to resubmit proposals for a vote, thus further insulating management from shareholder opinion. Over the last 40 years, many proxy topics initially received very modest levels of support, only to garner increased support over time as shareowner awareness and knowledge increased. Adding more restrictive thresholds on resubmitting resolutions simply makes it harder for investors seeking constructive engagement with companies. Hence, we oppose changes in the resubmission thresholds.

Let me share one example: had these suggested thresholds been in place 25 years ago, it is doubtful that shareholder resolutions regarding holdings in South Africa during the Apartheid era would have succeeded. The dialogues resulting from those resolutions were one of the first steps in helping bring that terrible period of history in South Africa to a close. More recently, tremendous strides have been made with corporations on a host of environmental issues ranging from recycling to greenhouse gas emissions. Many of the changes made by corporations have been positive to the bottom line. But it would not have happened without active dialogue with shareholders concerned about the environment.

We urge the SEC to uphold the right of investors to sponsor resolutions for a vote at stockholder meetings. The proposals described above are contrary to constructive investor-management relations and contrary to the democratic principles that ensure a fair hearing of issues in an open marketplace.

Sincerely,

A handwritten signature in cursive script, appearing to read "Doug Bauer".

Doug Bauer  
Senior Vice President

cc: Representative Carolyn Maloney  
Stuart Davidson, Chair, RPA Finance Committee  
Melissa Berman, CEO, RPA  
C. Daniel Stubbs, Jr., CPA, CFO, RPA