



## Landmark Capital II, LLC

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June 23, 2003

Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0609

RECEIVED

JUN 30 2003

OFFICE OF THE SECRETARY

Re: Changes to the Proxy Rules

S7-10-03

Dear Mr. Katz:

### Background:

I have "won" two shareholder proposals with the Asia Pacific Fund (symbol APB). One, would have liquidated the fund (passed in 2000 by a 63.9% margin) or allowed shareholders to approve the Investment Management contract annually (passed in 2001 by a 56.8% margin). Both proposals were never implemented by the Board. For your information, I spent less than \$20.00 on each proposal and the Board paid for extensive telephone solicitations against at least one proposals.

After the liquidation proposal passed, the Board met and unilaterally made changes to the by-laws so that going forward, only the Board could amend the by-laws. Going much further, the Board also amended the qualifications for Directors so that only an officer of a major corporation based in Asia or an investment company investing primarily in Asia could be nominated to be a Director. They also "grandfathered" the current Board members if they did not fit these highly restrictive criteria. I believe this action completely and deliberately disenfranchised the shareholders. The exercise of choice is meaningless unless the shareholders have the right *to* elect anyone of their choosing. Boards then go out and pay for expensive "Opinions of Counsel" to keep additional proposals from ever seeing daylight.

In summary, I have seen a very ugly side of a Board of Directors – they seem to be beholden to Investment Managers and other powers in direct conflict with the shareholders they purport to represent.

### Suggestions:

1. I don't believe there should be any limit on what can go into a shareholder proposal. Executive pay, option expensing, hiring and firing, even what color to paint the building etc. If 51% of the **people** want it they should get it.

2. Shareholders should be able to nominate directors if they control 3.0% of the shares. If their slate loses, they would have to get to 5% next year and if they lose again, they would need 10% etc. up to perhaps 20% to 25% when they should be able to nominate every year if they choose. The company would pay for their proxy materials just like it pays for its own handpicked slate.
3. There should be much lower quorum requirements. If people don't want to vote, so what, just because only 50% of eligible voters vote for President doesn't invalidate that election – why should it be different for something far less important such as running a business?
4. I believe there should be dismantling of all Poison Pill defenses. Existing management should not be able to extract a "premium" (paid to themselves rather than the shareholders) for poorly managing a company. The poison pill has become nothing more than a thinly disguised blackmail payment paid to the CEO and his Board for their failure to increase shareholder value on their own. Why should the existing management be compensated for failure?

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Thank you for your consideration

Sincerely yours,



Thomas A. Kornfeld