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Ms. Nancy Morris, Secretary
Securities & Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Internet Availability of Proxy Materials, File No. S7-10-05

Dear Ms. Morris:

I write on behalf of the Amalgamated Bank LongView Funds to comment on this Notice of Proposed Rulemaking (the "Notice"), reprinted at 70 Fed. Reg. 74598 (15 December 2005), in which the Commission proposes revising various elements of Rule 14A to permit companies to use alternative methods for delivery of proxy materials to shareholders. The LongView Funds commend the Commission for undertaking this exploration of how current regulations operate in the Internet age. The Funds are concerned, however, that the centerpiece of the proposal – the so-called "notice and access" provision – could have a harmful effect on the agency's core mission in this area, namely, assuring that shareholders are given the tools to cast an informed vote on matters presented to them.

The LongView Funds are a family of index funds created by Amalgamated Bank and offered as investment options to pension funds. The LongView Funds currently have over \$10 billion under management and beneficially own shares in more than 1500 domestic companies.

As part of their fiduciary responsibilities to their investors, the LongView Funds actively vote their shares on behalf of those investors. The Funds also seek to enhance performance through an active governance program that includes sponsoring shareholder resolutions and other efforts to have a dialogue with companies and fellow shareholders. As a result, the LongView Funds have considerable familiarity with the proxy solicitation process, both as a recipient of proxy statements and as the sponsors of proposals that are distributed to other shareholders as part of company proxy materials.

The Commission's exploration of electronic access is timely. As it now stands, many institutional investors choose to vote electronically. Various

companies also make it possible for registered shareholders to receive proxy materials online and to vote online. Thus, there has to date been some migration of the proxy voting process to the Internet, a process that will likely increase in the future. The issue, it seems to us, is how to permit the use of Internet resources without compromising shareholders' ability to cast an informed vote on matters on which their proxy is being solicited.

As we read the Commission's Notice, the heart of the proposal is a "notice and access" rule whereby companies may provide shareholders with notice (called a "Notice of Internet Availability of Proxy Materials"), via postcard or a similar "hard copy" medium, that proxy materials may be accessed online. The proposal would permit companies to deliver the proxy *card* along with the notice, even though the proxy *statement* would be available only online, which is a different medium.

The separation of the proxy statement from the proxy card is of concern to the LongView Funds. Divorcing the two represents a shift in the basic philosophy underlying the rules implementing section 14 of the Securities Exchange Act of 1934, which empowers the Commission to regulate proxy solicitations. For many years, a major focus of the Commission's rulemaking effort in this area was assuring that shareholders receive adequate disclosures contemporaneously – or close to contemporaneously – with solicitations. This approach was in tune with what Congress intended when it passed the Act over 70 years ago. As the House Report observed, "fair corporate suffrage is an important right that should attach to every equity security bought on a public exchange," H.R. Rep. No. 1383, 73d Cong., 2d Sess. 13 (1934), and section 14 sought to "control the conditions under which proxies may be solicited with a view to preventing the recurrence of abuses which . . . [had] frustrated the free exercise of the voting rights of stockholders." *Id.* at 14. The Senate Committee was even more blunt: "Too often proxies are solicited without explanation to the stockholder of the real nature of the questions for which authority to cast his vote is sought." S. Rep. No. 792, 73d Cong., 2d Sess. 12 (1934).

The LongView Funds are concerned that separating the proxy card from the proxy statement in the manner proposed may send a subtle signal that it is not important for shareholders to read through the proxy materials in order to understand the issues. Under the Commission's proposal, the proxy card could be served up, ready to be voted and complete with the board's recommendations. Statements to the effect that the shareholder should go to another medium in order to obtain additional information may fall on deaf ears. (In making this comment, the Funds do not suggest that every shareholder reads every proxy statement even when a statement is delivered with the proxy card; however, the fact that both documents are delivered simultaneously and in the same medium indicates that there is a connection between the two documents and that the statement should be consulted before voting the card. Separating the two could suggest that the proxy

statement is somehow less important as a document.)

This separation of the proxy card from the proxy statement is also of concern to the LongView Funds as sponsors of shareholder resolutions, particularly insofar as information reaches individuals holding shares in a given company. Under the Commission's proposal, the proxy card could arrive in a shareholder's mailbox with the company's recommendations (though not a full supporting statement behind each recommendation). Although any such statements are intended to be neutral, shareholders would be deprived of the ability easily to compare what the shareholder proponent is recommending and the reasons therefor, as well as the company's reasons for opposing the recommendation.

While some shareholders could and probably would go online, a large number of shareholders would likely not do so. We referred previously to the subtle signal that would be given by delivering a ready-to-vote proxy card with no explanatory materials and the accompanying risk that some shareholders may simply fill out the card and not go online. There is a separate issue, however, which is that some shareholders will not even have the means to go online. As the Commission noted, recent studies show that only 63 percent of Americans age 18 or older had Internet access in 2004 and that only 25 percent of persons over the age of 65 had Internet access in that year as well. 70 Fed. Reg. at 74600 n.30. Thus, a number of shareholders – particularly those who are retired and who may own stock in the company where they worked or have other holdings – would have no effective means to access the information they need in order to vote their proxies in an intelligent fashion.

In conclusion, the LongView Funds thus believe that the Commission should be guided by two basic principles in any rulemaking that is undertaken in this area:

1. Proxy statements and proxy cards should continue to be delivered in the same medium and at the same time to all shareholders.
2. The question of whether to receive proxy materials electronically or by mail should be a matter of consumer choice, to be decided by each shareholder according to individual preference.

Thank you for the opportunity to submit these comments. Please do not hesitate to contact me if there is further information that we can provide.

Very truly yours,

