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CHARLES J. PURCER

February 10, 2006

Jonathan G. Katz, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-9309

Via email: rule-comments@sec.gov

Re Internet Availability of Proxy Materials
Release No: 34-52926, File No. S7-10-05

Dear Mr. Katz:

I have been in the securities recordkeeping business for 43 years and actively involved with the STA, Securities Transfer Association, and the CTA, Corporate Transfer Agents Association. I am a firm believer in the SEC's initiative to create more investor friendly data through use of the Internet. However, I do have some concerns about the Proposed Regulations and would like to present a compromise plan that will benefit all parties.

It is my belief that the Proposed Regulations contradicts an important goal of the SEC. That goal is to have Issuers communicate in the clearest and quickest way possible information to all their investors, whether institutional, retail brokerage or individual registered shareholders, providing a level playing field for all potential investors. This was confirmed in the opening statement from Chairman Cox when he introduced the Proposed Regulations on November 29th and is reaffirmed by the SEC's Plain Language initiative of a few years ago. In the Proposed Rules, the SEC has gone from a restrictive environment on accessing Internet documents i.e. requiring affirmative consent, to a completely unrestricted environment of providing an option for Issuers to eliminate mailing hard copy proxy material to all investors, whether they have access to that material or not. This GIANT STEP for Issuers is a step backwards for shareholder democracy. It is also a short term cost benefit to issuers but a potential long term disaster for them.

Because there is a potential for large savings in printing, postage and mailing costs, the regulations as now written will disenfranchise many investors who do not have computers from receiving, accessing material and exercising their voting rights. Once the voters are driven away, they will never come back. This, together with the possibility of revoking the 10 day voting rule for brokers, will make it almost impossible for Issuers to obtain the necessary shareholder votes on proxy proposals without incurring a tremendous cost for solicitation. While I applaud the Commission's view that electronic communications is the wave of the future, I strongly recommend you consider moderation before you create chaos. I have two suggestions that will

reduce the risk of implementing the Rules as written and benefit the investor, the issuer and the SEC.

First: Today, most Issuers do not make their internet documents reader friendly. **My recommendation is that the SEC require Issuers to make their documents easily accessible and reader friendly.** The cost is minimal. Most issuers provide PDF versions of the documents which require downloading and scrolling, not very reader friendly in our fast paced world, discouraging shareholders from voting. Reader friendly HTML documents, with easy to use navigation, would provide a pleasurable experience for shareholders when they access the documents electronically prior to voting. We have data collected from voting sites indicating that 94% of the time, when given a choice, shareholders will choose the reader friendly HTML version over PDF and then come back to vote. This is exactly what the issuer wants.

Second: The Proposed Rules provide the option of not mailing an Annual Report/Proxy Statement to all shareholders. **I recommend you modify your Rules to permit withholding documents only from shareholders where the issuer or third party record keeper has identified that the shareholder has Internet access.** ERISSA has already set this precedent by permitting Issuers the ability to withhold hard copy from Employee Plan shareholders on the basis that the Issuer has email addresses and the employee has access to the proxy material. No affirmative consent is required. Investors with email addresses have the ability to access the documents and make an informed voting decision. By modifying the Regulations, you are not disenfranchising shareholders who have no way of accessing material from exercising their voting rights. Providing a toll free number to request hard copy will be totally ineffective. This proposal also eliminates two other uncertainties that your regulations will create. Since an issuer will know how many shareholders they have with access to the internet, they reduce their print quantity and mailing by that amount. This also eliminates the entire process of fulfillment that would be required under the Proposed Rules. That issue alone adds administrative and mailing costs to an already hectic and expensive process.

There are data bases of permission based email addresses available that will allow issuers to proactively obtain these addresses. They can then follow up with mailings to the remainder of their shareholder base to encourage them to provide the email contact information. Using data bases and mail follow up, Issuers could immediately obtain email addresses for 25 to 30% of their investors. If Issuers provide a pleasurable internet experience for shareholders with reader friendly documents, more holders will use the internet for gathering information, voting and security transaction processing. Issuers will be able to notify investors of press releases, web casts and other corporate information quickly and at reasonable cost. This achieves another SEC objective; the creation of more investor friendly data.

This compromise will not provide the printing and mailing savings that issuers would enjoy under your Proposed Regulations. However, it maintains the integrity of the current system while still providing a significant cost benefit to the issuer. It also provides an incentive for issuers to actively obtain email addresses, promoting more frequent and less costly communication with investors. Disenfranchising investors from voting will be a terrible disservice to them. Implementation of the Regulations, as written, could result in complete chaos to the proxy process for all parties.

Sincerely,

Charles J. Purcer
CJ Purcer Associates