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Mr. Jonathan G. Katz, Secretary
Securities and Exchange Commission
100 F St. NW
Washington, DC 20549-9303

February 20, 2006

File No. S7-10-05

Dear Mr. Katz:

Here are my comments on this proposed rule concerning proxy voting:

In general this looks like a good proposal that will save many trees and simplify lives for investors.

I really like the 30 day notice requirement. I recently had an incident in which I received notice of a corporate meeting after the meeting was actually held. The issuer claimed to have sent out the materials on the required date, but the normal lags of ADP, the brokerage firm, and the U.S. Postal Service meant that I was not notified in time to vote my shares.

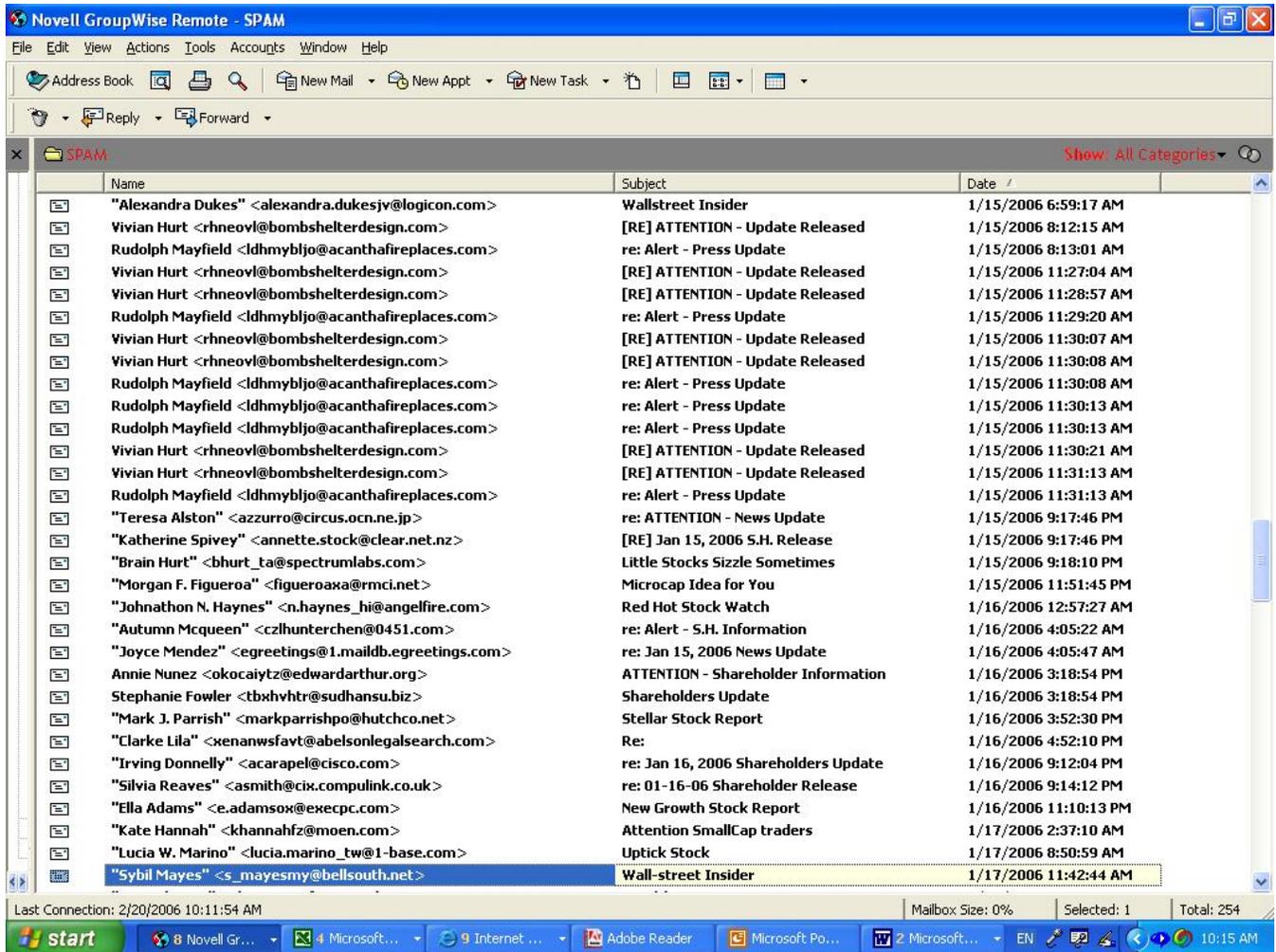
One of the really good things about the proposal is that it will provide incentives to issuers to post their proxy statements clearly on web sites other than Edgar. I have noticed that many firms do not post their proxy statements clearly. Some only have a link to the SEC web site, which does not contain easy access to nicely formatted statements that can be easily printed out to look like just like the hard copy.

But also, let's get real. More investors are likely to ignore the postcard notice of a proxy than a big bulging envelope filled with stuff. This means that there will be more non voters. The Commission should carefully consider the impact of this on corporate elections, and clearly re-examine brokerage voting policies.

I would like to make the following suggestions to make the proposed rule even better:

1. Allow investors to specify their preferences for paper versus email and make them binding until changed by the customer. Making shareholders request paper copies each time will be a real nuisance. There are a few companies that I follow very closely and want the easy to read, well formatted paper documents each time. For other firms that I follow less closely, I don't want any paper, not even postcards, for routine stuff.
2. Allow some investors to skip even the postcard notifications and get all documents via email.
3. Explicitly permit issuers to provide some benefit to shareholders who adopt electronic delivery. Such benefits may include a modest cash payment, a free sample or a discount on the company's products, or a donation to charity. Right now, there is no incentive to the shareholder to do anything. It takes some effort to reply to the electronic delivery options. Although there is nothing in the proposed rule that would seem to prohibit such an incentive, issuers may be reluctant to offer an incentive for fear of violating some other provision of our notoriously complex securities laws. Providing a safe harbor for such incentives would make it easier for companies to offer incentives for shareholders to adopt electronic delivery.
4. The large amount of investment spam is seriously hurting the use of email to deliver legitimate financial information. I am reluctant to rely solely on email because I have to delete numerous investment spams each day, and may easily delete a real notice. Most of these spams are clear violations of the 10b-5 anti-fraud provisions because they use artifices to deceive. They typically use spoofed "From:" addresses that hide the identities of the true senders of these messages. The Commission's apparent inability to prevent or prosecute these blatant violations of the 1934 Act cast into doubt not just the usefulness of email, but raise serious questions about the adequacy of the Commission's other enforcement activities.

Here is a real sample from my email box:



As you can see, the sheer quantity of fraudulent investment spam is drowning out legitimate investment emails.

5. Clarify how brokerage firms vote the shares of customers who don't vote, and make sure that brokerage firms inform their customers of their policies. I believe that most investors are unaware of their brokers' policies in this area.

6. Deal with the alleged overvoting situation. There is a concern that some brokerage firms are not carefully keeping track of whose shares have been loaned, and allowing some investors to vote who should not. Situations in which brokerage firms vote more shares than they really have call into question the integrity of the voting process. In order to maintain the integrity of the voting process, the Commission should carefully examine these allegations to determine whether or not they have merit and then figure out what, if anything, should be done about the situation. If the allegations do not have merit, the Commission needs to communicate this in a convincing way.

Sincerely,

James J. Angel
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