

February 4, 2006

Dear Securities & Exchange Commission:

We fully support the proposed new method of distributing proxy materials with a paper notice of availability that contains the web site address of the documents. We don't support any changes to the proposed rule, except as follows:

- 1) An issuer or other soliciting person should be permitted to charge a requesting shareholder or non-shareholder its cost for providing a paper copy of the proxy materials if the market value of their shares is less than \$25.00 as of the market close the day before the definitive proxy was filed, or if they are not a shareholder. This will prevent nuisance shareholders with a small number of low value shares from imposing unreasonable costs on issuers. Shareholders whose shares are of so little value generally cannot sell their shares without the commission exceeding the shares' value. In aggregate, their votes are meaningless.
- 2) We believe that issuers should be able to post proxy materials to their own web site or third party website in .doc format and not be required to use .pdf or .html formats, those other formats also being acceptable options.
- 3) We believe that issuers should also be able to use the proposed rule for any business combinations, reverse stock splits or share reclassifications and any other type of proxy but strictly limited to those shareholders whose shares have a market value less than \$25.00 as of the market close the day before the definitive proxy was filed. Thus, the bulk of the shareholders, who have shares with real value will continue to get paper proxies but this will eliminate great cost with respect low value shareholders. This would especially useful for companies which need to do a reverse stock split to avoid delisting from an exchange.
- 4) In fact, we feel that it would an excellent further reform to eliminate the requirement of issuers to communicate at all, with shareholders who have shares worth less than \$10.00 in market value. Electronic forms could still be available to such shareholders, however the cost of mailing even a reduced two page form, business reply envelope and postage would still be in the range of \$1.00 per shareholder per year and is economic waste.

We believe that the technological requirements placed on companies that use this alternative should be as light as possible.

We believe that the rule should be available to all issuers regardless of size and should be applicable to all shareholders.

We believe that intermediaries or their agents should be allowed to use the "notice and access" model regardless of whether the issuer chooses to furnish paper copies of documents to its record shareholders in reliance on the proposed model. We believe that intermediaries should be able to charge a fee at their cost to supply copies of the proxy materials to beneficial owners, and we do not believe that issuers should be required to send intermediaries paper copies of proxy documents for forwarding to beneficial owners

who request them. Remember, that the costs of the intermediaries are borne by the issuers and any costs imposed on the intermediaries will be charged to the issuers by the intermediaries. If shareholders do not wish to participate in this system, they always have the right to change intermediaries or by having their shares released from the custody of the intermediaries. Since a huge percentage of all shares are held by intermediaries, requiring issuers to forward paper copies of documents to intermediaries will defeat the purpose of the rule.

We believe that intermediaries should be able to use e-mail addresses that they have obtained from their customers for electronic delivery of the Notice of Internet Availability of Proxy Materials even if their customers have not specifically consented to the electronic delivery of proxy materials. This reform will also lower costs for the intermediaries and therefore, issuers also.

The proposed reform is a major cost saving measure that will roll back some of the huge additional costs placed on small issuers in recent years. For example, my NASDAQ Small-Cap Listed bank holding company has seen its cost of listing fees more than quadruple from \$4,000 a year to \$17,000 a year. The cost of external audits have risen for us by double, over \$50,000, due to the Sarbanes-Oxley regulations. The proposed rule would save approximately \$2.00 per shareholder.

We do not believe that issuers should be required to file annual reports to security holders on EDGAR, as this would increase issuer costs unnecessarily.

We believe that the rule should be made effective immediately, so as to assist with reduced costs in the 2006 proxy season.

Sincerely,  
Stephen Lange Ranzini  
President & CEO  
University Bancorp, Inc.  
Ann Arbor, MI