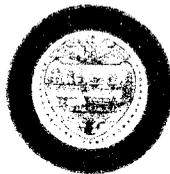


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December 12, 2003

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

Re: File No. S7-19-03  
Security Holder Director Nominations

Dear Mr. Katz:

I am writing you in support of the Securities and Exchange Commission's proposed rule concerning Security Holder Director Nominations (34-48626). I believe the SEC's proposed rule serves the best interest of all investors, large and small. I applaud the Commission for proposing the rule and urge it to strengthen the rule according to the recommendations of the National Coalition for Corporate Reform (NCCR).

Specifically, with regard to proxy access triggers, I request that the SEC strengthen proposed triggers and add additional triggers:

- The withhold threshold in the first trigger should be lowered from the proposed 35% to 20%. In a sample of over 300 large, mid-cap and small-cap S&P companies, only 1.9% had withhold voters greater than 35%. In the same sample, a 20% withhold vote was achieved at 15% of the companies. Clearly, 20% is a significant hurdle for shareholders undertaking a withhold campaign.
- The 1% ownership threshold in the second trigger should be removed. It is unnecessary. The ultimate vote to trigger proxy access will determine the validity of the proposal.
- A third trigger based on a company's inaction on a shareholder proposal that receives a majority vote should be added. Nothing is a clearer indication of an ineffective proxy process than a board's failure to act on majority vote proposals.

- Additional triggers tied to specific events should be added, and these triggers should not require other triggers that delay proxy access for an additional year. Such events might include SEC enforcement actions, criminal indictments of any executives or directors, material restatements, market delistings, or significant share under-performance.

I stand with the NCCR on these issues as well:

- Once proxy access is triggered, it should be granted to shareholder groups owning more than 3% of a company's securities, not 5%. An analysis of the holdings of the three largest institutional investors – CalPERS, CalSTRS and NYSCRF – concludes that it would be necessary to assemble a group of nearly all public pension funds to achieve 5% ownership.
- The number of permitted nominees should not be less than two. At least two are needed to provide shareholders adequate representation.
- The rule, once triggered, should remain operative for a period of five years. Shareholders need more than the proposed two-year period to determine whether proxy access is even necessary.

For the sake of investors, I do not want to encumber the value of U.S. companies. I foresee the proposed rule being exercised prudently and judiciously, and only when actions of a company's management or incumbent board threaten value.

Sincerely,



Randall Edwards  
Oregon State Treasurer

cc:

The Honorable William H. Donaldson, Chairman, Securities and Exchange Commission  
The Honorable Cynthia A. Glassman, Ph.D., Commissioner  
The Honorable Harvey J. Goldschmid, Commissioner  
The Honorable Paul S. Atkins, Commissioner  
The Honorable Roel C. Campos, Commissioner