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New York, N. Y. 10171



November 25, 2003

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

Re: File No. S7-19-03

Dear Mr. Katz,

I am writing to share my concern regarding the proposed shareholder access rules. Although I understand the Commission's concern regarding boards and management demonstrating more responsiveness to shareholders, I fear that the proposed rules would be very harmful to the governance process of our nation's corporations.

I have formerly served and currently serve on several boards including AT&T, UPS, Eaton and D&B, and have taken a keen interest in good corporate governance. These companies and the great majority of all others, are committed to serving their entire base of shareholders and to maintaining full and open communications with them. I have always believed that an important part of good corporate governance is to listen to, and when in the interest of the corporation and majority of shareholders, act upon the views and concerns of shareholders.

The highly concentrated institutional ownership of most U.S. Corporations today, creates a situation where a shareholder or small group of shareholders could establish a majority position on a direct access shareholder proposal that may not be in the long term interests of a company and its full shareholder base. It could undermine the company's performance and its position in the competitive marketplace.

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A triggering event under the proposed rules, would permit shareholders to bypass the company's nominating committee and board regarding the placement of director nominees in the proxy statement. This could lead to unqualified, and special interest directors sitting on a board. The impact of such a situation would be seriously negative to the future health of the corporation and would effectively undermine the board's ability to function effectively.

I would like to commend the Commission for responding quickly and appropriately to the serious corporate problems that have emerged over the last several years. It is critical that new regulations continue to deal with sensitive corporate issues in a well reasoned and equitable way, and not create unintended problems like the proposed shareholder access rules that would create unique rights for special interest groups. The effect of these special rights may well undermine the essence of America's private enterprise system.

Thank you for the opportunity to share my views with you. If you care to discuss any of these issues further, I would appreciate hearing from you at 212-821-5363.

Sincerely,

A handwritten signature in black ink, appearing to read "Victor A. Pelson". The signature is fluid and cursive, with a prominent initial "V".

Victor A. Pelson