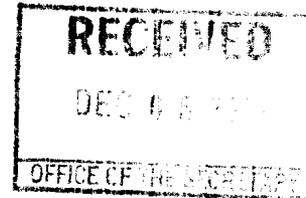




#259

December 3, 2003

Mr. Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609



RE: File No. S7-19-03

Dear Mr. Katz:

The Marco Consulting Group, Inc. ("MCG") is a registered investment advisor to some 500 institutional investors whose aggregate asset value is in excess of \$80 billion. MCG is the proxy-voting agent for the equity investments of most of its clients.

We are writing to offer supporting comments on SEC Proposal S7-19-03 regarding security holder director nominations. We had previously submitted comments on this issue on June 11, 2003 regarding File No. S7-10-03, review of proxy rules and regulations.

At that time we urged that the rules should be drawn so that they encourage long-term shareholders to nominate candidates who will represent their interests and are immune to manipulation by short-term investors aiming for a low-cost hostile takeover. We suggested that requiring a minimum ownership/holding period and limiting the number of nominees to less than a majority of the entire board would be possible ways to do this.

We are pleased that the SEC's proposed rule on security holder director nominations embraces those concepts, but we are also concerned that the proposed rule will be difficult for large groups of investors to use in a timely manner.

The proposed rule would require a 5% ownership requirement for placing nominees on the proxy ballot, which seems excessively high given the fragmented ownership in corporate America. We respectfully submit that lowering the ownership level to 3% would strike a fair balance between providing a viable tool to shareholders while protecting companies from frivolous nominations.

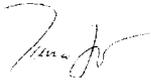
The proposed rule's insistence on triggering requirements (a 35% withholding vote against a nominee or a majority vote for a proposal to allow shareholder nominees access to the ballot) is a serious problem because they result in a two-year delay before shareholder nominees would be on the ballot. We suggest eliminating the triggering requirements or revising them to avoid the two-year delay. In the alternative, we suggest that the proposed 1% ownership requirement for shareholders to submit a

Mr. Jonathan G. Katz  
December 3, 2003  
Page Two

triggering proposal be revised to reflect the ownership requirements for a Section 14a-8 proposal.

We thank you for the opportunity to comment on this historic proposal and we would be pleased to answer any questions you have about our view.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian W. Jones". The signature is fluid and cursive, with a large initial "I" and "J".

Ian W. Jones  
President