

**CORPORATIONS COMMITTEE
BUSINESS LAW SECTION
THE STATE BAR OF CALIFORNIA
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February 26, 2004

BY E-MAIL: chairmanoffice@sec.gov

Copy by Federal Express

The Honorable William H. Donaldson
Chairman
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

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Re: March 10, 2004, Roundtable (SEC File No. S7-19-03)
Proposed Rule: Security Holder Director Nominations

Dear Mr. Chairman:

The undersigned Co-Chairs of the Corporations Committee (the "Committee") of the Business Law Section of the State Bar of California sent you a letter dated February 10, 2004, requesting the opportunity to participate in the above-referenced Roundtable. Our letter was sent the day after the Commission issued Press Release 2004-15 announcing that the Roundtable would be held.

Messages were left twice with the Staff seeking to follow up on our request. There was no response. In that context, it came as a bitter disappointment to be informed today by the Staff that the list of participants in the Roundtable had been fixed, that our request to participate had not been accepted, that it was now too late to make any changes in that list of participants, and that our request was treated as untimely.

We believe that the State of California has a very substantial interest in this issue. Among other things, it is the headquarters for more publicly traded corporations than any other state (150 U. Pa. L. Rev. 1795, at 1854 [2002]). With California being the most populous state in the country, individuals here are likely to be the single largest pool of persons with an interest in the issues to be covered by the Roundtable.

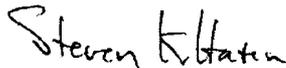
As evidence of the importance of these issues to California, we note that a bill was introduced last week in the California legislature (AB 2572 (Chu)) that would adopt a separate obligation for California corporations (and foreign corporations qualified to transact business in California) regarding shareholder participation in the corporate election process. Two years ago, California adopted its own disclosure act for publicly traded companies.

Finally, we believe that the Committee can be a resource to the Commission. In the last several years, the Committee has submitted comment letters with respect to several proposed rules, including the attorney-conduct rules, Section 16 reporting rules, and the proposed security holder nomination rule. We note that, in several instances, the final rules were modified to

reflect comments made by the Committee. The Committee itself is composed of lawyers from across California, practicing in both small and large law firms and advising both public and private corporations. Various members of the Corporations Committee have worked for either the Commission or the California Department of Corporations.

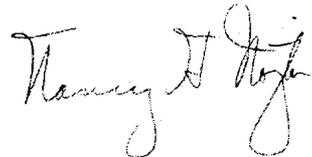
If the point of the proposed rule is ensure that a corporation is responsive to its constituents, it would seem appropriate for the process examining these issues itself to be responsive to its constituents. As such, we hope that the Commission will take seriously the offers of the Committee to be of assistance and would be pleased for you and the Staff to reconsider the basis upon which the Committee was excluded from participation in the Roundtable.

Very truly yours,



Steven K. Hazen
Co-Chair

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cc: ✓ Mr. Jonathan G. Katz
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