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

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Dear Secretary Katz,

As two individual investors, we are submitting comments regarding the proposed rule on shareholder proxy access and the ability of investors to better nominate candidates for corporate boards. We urge the SEC to support greater democracy in the corporate elections process, and to vigorously support investors' rights to nominate legitimate candidates for company boards, and to do so through the company's proxy statement.

With the SEC getting ready to unveil a new rule that would give minority shareholders more rights to nominate board members, we have read that many CEOs are trying to stall the rulemaking, arguing that even a modicum of shareholder democracy is too much.

Please consider (and reject) these audacious statements:

- At the SEC hearing last Wednesday, CEOs argued that the new rules would create mayhem for corporate America because activist shareholders would use the new rules to take over corporations for narrow interests.
- U.S. Chamber of Commerce President Thomas Donahue has threatened to sue the SEC if it goes ahead with the new rules under the argument that such laws are properly left up to the states.

But SEC commissioners in support of such a proposal seemed unconvinced. "This is a modest, modest proposal," SEC Commissioner Raul Campos said. "What's the harm? What's so bad?"

We are in agreement with Commissioner Campos.

We are concerned with what we have seen in the proposed rule. The rule should go much further in providing investors with strengthened rights regarding the nominations process.

We oppose the "triggering events" described in the proposal. Put forward by opponents of shareholder access earlier this summer, triggers have no place in building more democratic board elections. The new rule must provide investors, large and small, with greater reins over the boards that represent them. We need to put more pressure directors to clean up conflicts of interest.

The rule must provide fair and robust mechanisms for company owners to place highly qualified and truly independent people on the proxy ballot. Only then can shareholders effectively hold individual board members accountable for their actions.

This proposal puts enough hurdles in front of shareholders that the new rule barely improves upon the current process -- that of individual investors spending hundreds of thousands of dollars of their own money to run a single candidate for the board, which is then undermined by executives spending endlessly from the corporate treasury (investors' monies) to counter that candidate.

What we currently have in no way resembles an open, democratic election of directors. The triggers proposed in the rule make it even less so. Having direct access to the proxy without barriers or triggers seems a modest request, given that few investors would use their rights to nominate unless they felt a board and corporate executives were grossly mismanaging a corporation.

There's also the burden of winning more support for an investor candidate than candidates proposed by management. It's just too much effort to find qualified candidates (under in-creasingly stringent rules of independence) and win majority support unless a company has failed its investors.

Until corporate governance is strengthened to make directors more accountable to shareholders, we'll continue having trouble regaining investors' confidence in markets and corporate manage-ment. Allowing the owners of companies to have a realistic say in the membership of the board is one of the best ways to curb the excesses and reduce the conflicts of interest that lead to corporate corruption.

If shareholders were able to get involved, they could put pressure on board members to pay attention more to shareholders' interests and be less focused on serving management. At Wednesday's forum, two fund managers testified that the mere possibility of the new rule had already made directors more responsive to their concerns.

For our source of information, see:

"Businesses Fight SEC Proposals," by Kathleen Day of the Washington Post: http://www.washingtonpost.com/wp-dyn/articles/A48314-2004Mar10.html

"Corporate Class Pushes Weak Case Against Reform," by Steven Pearlstein of the Washington Post: http://www.washingtonpost.com/wp-dyn/articles/A44872-2004Mar9.html

Thank you for this opportunity to offer our strong support for this historic proposal. We encourage the Commission to adopt final rules that are responsive to our concerns.

Respectfully,

Jim Wagner