

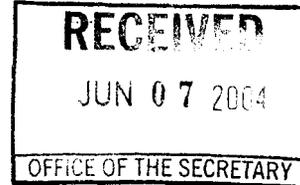
April 21, 2004

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57-19-03

VIA EMAIL

Mr. William H. Donaldson
Chairman
Securities & Exchange Commission
450 Fifth Street, N.W. - Mail Stop 6-1
Washington, DC 20549



Dear Bill:

I know you are incredibly busy. Thank you for taking my call. Let me state the policy conclusion first, the argument second, and a brief commentary third.

The policy conclusion is that there should be a definition of a smaller company where new, more stringent proxy rules do not apply, at least for several years until their full working can be understood. These companies could be defined as under \$500 million and/or smaller than the smallest 5% of the S&P 500. Also, they could have safeguards such as executives having to take 25% of their compensation in stock and not sell any stock for three years. The point is to facilitate the public policy about entrepreneurs being willing to go public and grow their companies.

In our case, we were presented with a shareholder resolution from a shareholder who may own as little as \$2,000 of our stock asking for shareholders to vote on whether our company should retain an investment banker to consider strategic options, including a sale of the company; pursuant to Rule 14a-8, we received a positive response to our no-action request seeking to omit the proposal from our proxy. Now, the shareholder is threatening a lawsuit. The consequences of putting such a proposal on the ballot are that the shareholders and ISS will always vote in favor of this sort of proposal. This creates substantive problems for boards and managements pursuing sound operating and growth strategies which are in the national interest. In addition, ISS's position on poison pills has a similarly coercive effect on directors.

Separately, it really is an incredible world when firms like ours are advised to vote against John Madigan as a Director of Morgan Stanley, Ivan Seidenberg as a Director of Honeywell, and Warren Buffett as a Director of Coca Cola. These are outstanding business leaders with whom we have first hand experience. There was a real problem in America, but the solution is turning out to be both cumbersome and non-productive.

Respectfully,

John A. Levin

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