

**Rockefeller & Co., Inc.**

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September 28, 2007

Ms. Nancy M. Morris, Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Comments on Shareholder Proposals (File Number S7-16-07)

Dear Secretary Morris:

On behalf of Rockefeller & Co.'s Socially Responsive Investment ("SRI") Division, I would like to submit the following comments in response to the Securities and Exchange Commission's ("SEC") solicitation of views concerning the proposed amendments to the rules under the Securities Exchange Act of 1934 relating to shareholder access to company proxy materials. (Release No. 34-56160; IC-27913; File No. S7-16-07.)

Rockefeller & Co. has been in the investment business for over a century. Originally founded as a family office by John D. Rockefeller in 1882, the company now serves a wide variety of clients and manages approximately \$7.9 billion in assets. Our Socially Responsive Investment Division was started in the 1970s and is one of the oldest SRI efforts in the industry. Our concerns have been not only with the issues traditionally associated with SRI funds, but also with good corporate governance.

Rockefeller & Co.'s Socially Responsive Investment Division is greatly concerned by the SEC's recent proposals concerning the rights of shareholders to access a company's proxy for filing non-binding advisory resolutions. If these proposals are adopted, we believe the new rules would severely impair the ability of shareholders to place advisory resolutions in a company's proxy materials. While the current process for handling shareholder advisory resolutions may be trying for some companies and shareholders alike, we believe the current process is integral to greater transparency that is a characteristic of, and competitive advantage for, the US financial markets. Furthermore, there is decades-long evidence that quite often in spite of initial challenges, both a company's management and its shareholders have gained from the dialogues that shareholder resolutions prompted on many issues of mutual concern.

We believe that the proposed changes to the proxy rules have the potential to eliminate a process that has been essential to engendering transparency and trust in the US financial markets. Specifically, we are troubled by the following three proposals.

### **1. The opt-out proposal**

One proposal would modify the federal proxy rules to allow a company to exclude from proxy materials or ‘opt-out’ of consideration proposed shareholder advisory resolutions if a general opt-out right is approved by the company’s shareholders. If enacted, this proposal would create an uneven playing field and would likely encourage companies with poor governance or corporate responsibility records or unresponsive investor relations to opt-out, further insulating these companies from shareholder input and accountability. Furthermore, without access to a company’s proxy materials, shareholders would have limited means to reverse a grant of opt-out rights to a company should shareholders subsequently decide that proxy access is needed to address future concerns.

### **2. Chat rooms or electronic forums**

The SEC is requesting comments on the advisability of permitting companies to adopt an electronic petition model as a substitute for the right of shareholders to seek to have advisory resolutions included in a company’s proxy materials. We object strongly to supplanting an established shareholder proxy resolution process with an untested electronic petition process. First, there is no assurance that a company would treat issues raised electronically as seriously as a resolution sought to be included in the company’s proxy materials. Also, even today, not all shareholders have on-line access and therefore not all could participate. Additionally, the shareholder proxy resolution process allows for broad communication with management and the board of directors and its formality lends weight to the issues and discourages frivolous filings. Chat room discussions likely will not provide these advantages. Most importantly, this proposal, if implemented, would reduce transparency by precluding communication with the broader universe of shareholders and effectively disenfranchises those shareholders who would not actively participate in the chat rooms. We are also concerned that a chat room environment would not lead to the disciplined and focused discussion on an issue that the current system encourages.

While we think an electronic forum is a good tool for improving management and shareholder communications, we believe it would be a very poor substitution for the process of filing shareholder resolutions. Furthermore, we are skeptical that an electronic forum could provide management with an accurate barometer of shareholder concern with respect to the issues raised.

### **3. Re-submission thresholds**

The SEC raises a trial balloon for a significant increase in the votes required for resubmitting resolutions, to 10% in the first year, 15% in year two and 20% thereafter, compared to current thresholds of 3%, 6% and 10%, respectively.

This proposed change represents a significant hurdle, particularly for shareholder proponents raising issues that may take time to gain traction but ultimately become

legitimate and acceptable positions embraced by many shareholders and companies alike. We believe the current voting thresholds work well from both the management and shareholder perspectives – discouraging continuation of frivolous shareholder proposals while allowing those with a significant level shareholder support.

We are aware of the two-month comment period that ends October 2, followed by a one-month period of study by the SEC after which new rules may be enacted by the SEC. We hope the SEC staff carefully reflects on comments received from concerned shareholders in regard to the potential impact its proxy access proposals may have on transparency, trust and shareholder rights that are the oxygen of well-functioning financial markets.

We urge you to stop initiatives that would limit the rights of shareholders to sponsor shareholder proxy resolutions, prevent shareholders from nominating board candidates and replace nonbinding shareholder proxy resolutions with an electronic forum.

Very truly yours,

A handwritten signature in black ink, reading "Farha-Joyce Haboucha". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Farha-Joyce Haboucha  
Director of Socially Responsible Investments  
Rockefeller & Co.