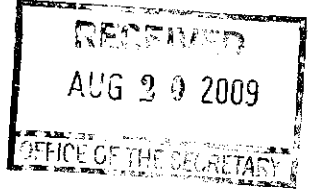


Mary S. Metz  
9 Regulus Court  
Alameda, CA 94501

August 14, 2009



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

*Re: File No. S7-10-09  
Release No. 34-60089 Facilitating Shareholder Director Nominations*

Dear Ms. Murphy:

I am an independent Director of AT&T and have served as an independent Director for many years on three other corporate Boards of Directors: Pacific Gas & Electric, Longs Drugs, and Union Bank of California. I chaired the Governance Committee of the Longs Board and am a member of the Governance Committee of AT&T. I also chaired the Public Policy Committee of both PG&E and Union Bank; so, I have had considerable experience in considering the interests of shareholders, the general public, employees, and other stake holders.

I am writing to express my grave concerns about the SEC's proposal to mandate inclusion in the proxy materials of large cap companies the nominees for director of any individual or group holding 1% of the outstanding shares of that company for a period of one year or more. Such nominees would be included in the company's proxy materials on a first-come basis up to 25% of the total Board.

There are at least three serious problems that should lead you to reconsider this proposal.

*First*, I note that proxy access rules set forth in corporate bylaws and other governing instruments are themselves subject to majority vote of the shareholders, consistent with the requirements of state corporate law. It is fundamentally inconsistent with the principle of majority shareholder rule, and the corporation law of the individual states, for the federal government to mandate proxy access rules that cannot be changed by a majority vote of the shareholders themselves. Whether the majority of shareholders wish to establish stricter or more liberal proxy access rules, they should be free to do so consistent with their own views of the best interests of the company. It is intellectually incoherent to rely on a majority vote of shareholders to elect directors and yet to countermand that majority vote in establishing the bylaws governing such election. If

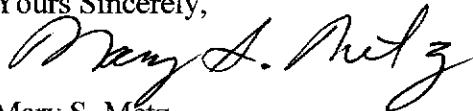
shareholders are competent for the former – and I strongly believe they are – then they are competent for the latter as well.

*Second*, I am concerned that the proposed new rules – with their low ownership threshold and short holding period – will encourage hedge funds and other short-term speculators to attempt to exercise undue influence over corporate policy in favor of short-term profits rather than long-term shareholder value and the best interests of the company. This is exactly the wrong direction to take corporate policy and is contrary to one of the stated goals of the SEC to encourage Boards to manage for the long-term well-being of the company. As a Director of Longs Drugs, I experienced first hand more than once the detrimental effect that hedge funds and short-term investors can have when they seek to coerce a Board into taking action that is contrary to a well developed strategy.

*Finally*, I believe your proposed rules – by politicizing Board elections – will cause significant disruption and divert both corporate and Board resources away from urgent issues of day-to-day governance. At the very least, such disruption should not be incurred absent a higher ownership threshold of at least 10% and a holding period of at least two years to ensure that the process is not being held hostage by speculators and others with an agenda separate from the long-term interests of the company. Moreover, holders of 10% or more of the stock have demonstrated the ability to garner meaningful support for their nominee.

I appreciate your consideration and hope you will take these views into account.

Yours Sincerely,

A handwritten signature in cursive script that reads "Mary S. Metz". The signature is written in dark ink and is positioned above the printed name.

Mary S. Metz