

July 14, 2003

The Honorable William H. Donaldson  
Chairman  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549

Dear Mr. Chairman:

This week, your staff is expected to make recommendations regarding the ability of shareholders to nominate and elect corporate directors. The SEC should act quickly and vigorously to strengthen investors' voices in how corporations are run.

Specifically, I urge you to permit shareholders to nominate board candidates and have them appear in official proxy voting materials. It may be appropriate to require a minimum ownership stake (which could be satisfied by a single shareholder or group of shareholders) and impose other limitations on shareholder access to proxies. Any limitations, however, should not be onerous. After the many corporate scandals of the last two years, it is essential that the true owners of public corporations be able to hold insiders accountable when they abuse their positions of trust.

Corporate boards exist to ensure that executives act in the interests of shareholders. Boards handpicked by executives cannot be expected to serve those shareholders faithfully. According to recent reports, some board members have barely maintained the pretense of representing investors, skipping annual meetings and refusing questions.

Stronger investor rights protect against insider abuses, encourage investor trust, and ultimately raise profits and stock returns. Our financial markets depend on faith that executives and directors are working for the interests of investors and workers.

I would be happy to discuss this issue with you in greater detail.

Yours sincerely,

**A**

John Edwards