

390

GERALD W. HOCKER  
STATE REPRESENTATIVE  
Thirty-Eighth District



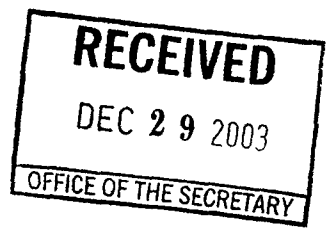
HOUSE OF REPRESENTATIVES  
STATE OF DELAWARE  
LEGISLATIVE HALL  
DOVER, DELAWARE 19901

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December 19, 2003

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

RE: File S7-19-03



Dear Secretary Katz:

I write you today to voice my opposition to a shareholder access rule proposed by the Securities and Exchange Commission (SEC) that will add yet another layer of uncertainty to the operations of U.S. public corporations. These rules neglect both the potential damage they might cause by taking corporations off-track during recovery, and besides, they're bad corporate governance.

Positive impacts of the Sarbanes-Oxley Act and related SEC rulemaking (for which the SEC should be commended) and the approved corporate governance listing standards of the NYSE and NASDAQ are cementing corporate America's dedication to improving corporate governance. Though more work lies ahead, we should evaluate how these changes impact corporations responsiveness to shareholders before mandating more new rules which will detract boards, raise corporate expenses and deter innovation.


Also, the breadth of this rule cast too wide a net, sweeping in not only corporate wrongdoers and companies unresponsive to their shareholders, but also companies that have consistently demonstrated responsiveness to their shareholders and a commitment to sound governance. In fact, many, if not all, U.S. public companies would be subject to the proposed rules, should they be enacted.

Finally, the proposed rules may create an unintended consequence of creating a loophole whereby special interest groups can commandeer the director election process to the detriment of all shareholders. I believe these special interests will bring the worst of our partisan electoral system to the corporate boardroom, lead to acrimonious proxy fights, and divided boards that will not be able to function as a team in the highly competitive corporate world.

It is my belief that it will be difficult for a board composed of an uneasy collection of special interest directors to keep its eye on the "big picture" rather than the limited agenda of the specific group or minority interest that elected them.

As the State Representative here in the 38<sup>th</sup> district, I am opposed to this proposed shareholder access rule and hope you'll give more time to existing laws and rules and then determine their impact. Only then should you take up consideration of any changes.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gerald W. Hocker".

Gerald W. Hocker  
State Representative  
38<sup>th</sup> District