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December 10, 2003

Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Dear Mr. Katz:

Re: File No. S7-19-03

I ain a director of Sears, Roebuck & Co. I appreciate this opportunity to provide comments to the proposal of the Securities and Exchange Commission to require companies to include shareholder nominees for director in company proxy materials under certain circumstances.

I oppose the proposal for the following reasons:

- The recent corporate governance reforms initiated by the stock exchanges and the SEC will make boards of directors more independent and accountable. With the increased independence of boards of directors, the strengthened role and independence of nominating committees and the enhancement of shareholder-director communications, I believe that the issues that led to calls for reform have been addressed. The SEC should allow time for these reforms to work before deciding whether it needs to impose additional, unproven requirements on public companies. For example, a contested election is not the best way to select qualified board members. An independent nominating committee is best suited to select qualified directors with the mix of skills and experience needed to oversee a public company.

- Shareholder nominees will inevitably represent the special interest agendas of the Shareholders that nominated them rather than the interests of all shareholders as required under state law. This is the case because even though the nominee cannot be affiliated with the nominating shareholder, it is highly likely that the nominee would still be a special interest candidate. Moreover, there is no mechanism in the proposal that would provide for the removal of these directors if they are not acting in the best interest of all shareholders.

- The proposed thresholds for triggering a shareholder nomination are too low. For example, even though almost two-thirds of the shareholders may have voted for a candidate, the fact that a little over one-third withheld their vote would subject the public company to the new shareholder nomination procedures. As a result, even companies that are performing well could face frequent contested elections. Annual election contests would be distracting and costly and could dissuade qualified individuals from serving as corporate directors. Even in uncontested situations, public companies will expend additional unnecessary resources, both time and money, to ensure that their nominees are elected with less than a 35% withheld vote.

- **A** proposal of this magnitude raises many issues and questions, and could produce unintended consequences. In the proposing release the SEC posed hundreds of questions to the public and interested parties cannot consider and meaningfully respond to those questions within 60 days. Because of the proposal's complexity, the comment period should be extended for an additional 60 days to allow adequate study and consideration of the issues and potential ramifications of the proposal.

- If the SEC is going to adopt this proposal, companies should have a reasonable amount of time to anticipate and prepare for actions and events that may ultimately qualify as a triggering event for shareholder nominations. Many companies will have held their annual meeting in 2004, or will be well into the preparations for their annual meeting, before this proposal may be adopted, yet may be subject to the proposal and whatever changes are made to it prior to adoption. Therefore, shareholder action or voting results during the 2004 proxy season should not qualify as triggering events for shareholder nominations. In addition, there will be tremendous shareholder and company confusion with disclosures in 2004 proxy statements that attempt to provide information about a shareholder access process that has not been finalized. Moreover, companies need to add additional governance staff or retain counsel to assist with the proposals that may ultimately qualify as triggering events and related issues.

Thank you for considering these concerns about the proposed rules.

Sincerely,

W. James Farrell