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H. Allen Turner
Vice President

January 6, 1992

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

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COMMENTS:	④

Dear Mr. Katz:

We view with great alarm a report that the SEC has embraced, all or in part, certain recommendations made in a November 3, 1989, letter to the Commission from the California Public Employees' Retirement System addressing reform of the proxy process. CalPERS, now one of the largest public pension funds in the nation, calls itself part of a new class of sophisticated investors and goes on to suggest that, because of its size and increased participation in corporate governance, it should be granted special privileges not accorded under current proxy rules.

Devon Energy Corporation believes that adoption of the proposed changes will diminish, not expand or enhance, communication and disclosure to all participants in the proxy process, since large institutional investors would have the right to plan strategy in cloak room style and solicit each other without filing with the Commission or clearing their materials in advance with the SEC. In such an environment, individuals would be kept in the dark by the big players instead of participating in a process which has traditionally called for full and impartial disclosure. That would be turning the clock back to 1932.

Of particular concern is that the SEC's proposed rules would create two classes of shareholders -- the large institutions and those with smaller shareholdings -- mostly the 51 million individuals who own stock in America's public companies. That's an ironic turnabout for a Federal agency that has acted diligently over the years, in rulemaking and enforcement, to protect the interests of the small shareholders. Now you support the perceived needs of the large institutions at the expense of those individual shareholders.

The proposed rules also create a special category of "disinterested persons," such as proxy advisers to institutional investors or organizations such as the United Shareholders Association, which would be able to solicit votes on proxy issues without filing or clearing their materials with the SEC. The exemption would open the door to the very rumor and misinformation which the current proxy rules are designed to prevent. Far from being disinterested,

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those advisors and organizations are either directly involved economically or pursuing private political agendas.

We do agree that certain aspects of the proxy process should be simplified, and concur with proposals that have been offered by The Business Roundtable, the American Society of Corporate Securities and the National Investor that suggest a simplified form of public notice filing with the Commission, for some shareholder solicitations rather than requiring use of a proxy statement.

We further believe that many of the concerns institutional investors might express through the proxy could be resolved through an informal process of contacting our company management to initiate a dialogue with the corporation. The same process could apply for individual investors or their representatives.

We believe this mechanism has much greater potential for enhancing corporate-shareholder communication and resolution of issues than the more formalized processes of shareholder proposals or proxy fights. In these battles, neither side is a winner and individual shareholders -- should the Commission's proposals be adopted -- would be left on the sidelines.

Very truly yours,

DEVON ENERGY CORPORATION



H. Allen Turner
Vice President - Corporate Development

cc:

The Honorable Richard C. Breeden, Chairman
The Honorable Edward H. Fleischman, Commissioner
The Honorable Mary L. Schapiro, Commissioner
The Honorable Richard Y. Roberts, Commissioner

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The Honorable Don Nickles
The Honorable Bill Brewster
The Honorable Mickey Edwards

The Honorable Glenn English
The Honorable James M. Imhofe
The Honorable Dave McCurdy
The Honorable Mike Synar

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