

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 8, 1994

The Honorable Bob Graham
United States Senate
P. O. Box 3050
Tallahassee, FL 32315

Attention: Ginger Wainner

Dear Senator Graham:

This is in response to your letters of November 2nd, 7th and 8th, 1994, relating to your constituents' concern about social responsibility resolutions and possible amendments to the shareholder proposal rule 14a-8.

As you may know, on March 3, 1993 the New York City Employees' Retirement System ("NYCERS") brought suit against the Commission in connection with the Commission's position with regard to the exclusion of employment related proposals that raise social matters under rule 14a-8(c)(7). Therefore, it is inappropriate to comment on the application of rule 14a-8(c)(7) at this time. The Commission does not plan to take any action with respect to the rule or its application during the pendency of the NYCERS litigation, nor are there any outstanding proposals to amend rule 14a-8.

It is important to note that the staff's no-action responses to rule 14a-8(d) submissions reflect only the staff's informal views. The determination reached by the staff in these no-action letters does not and cannot purport to adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy material. Accordingly, a discretionary determination by the staff not to recommend enforcement action to the Commission does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material. The staff's role in the shareholder proposal process is explained further in the enclosed copy of the Division's Statement of Informal Procedures for Shareholder Proposals. A copy of this Statement is enclosed in the staff's responses to no-action requests under rule 14a-8(d) and is sent to both the shareholder proponent and the company.

I trust that this response has been helpful.

Sincerely,

William E. Morley
Senior Associate Director

Enclosure