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September 12, 2003

VIA HAND DELIVERY

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Farmer Bros. Co.
Shareholder Proposal of Mitchell Partners, L.P
Securities Exchange Act of 1934 – Rule 14a-8

Ladies and Gentleman:

We are counsel to Farmer Bros. Co., a California corporation (the "Company"). The Company has received a shareholder proposal concerning the restoration of cumulative voting (the "Proposal") and a supporting statement (the "Supporting Statement") from Mitchell Partners, L.P. (the "Proponent") in connection with Company's 2003 Annual Meeting of Shareholders (the "2003 Shareholders Meeting"). On behalf of the Company, we hereby notify the Division of Corporation Finance of the Company's intention to exclude the Proposal and Supporting Statement from its proxy statement and form of proxy for the 2003 Shareholders Meeting (collectively, the "2003 Proxy Materials") on the bases set forth below, and we respectfully request that the Staff of the Division (the "Staff") concur in our view that the Proposal and Supporting Statement are excludable on the bases set forth below.

Pursuant to Rule 14a-8(j), enclosed are six (6) copies of this letter and its attachments. As required by Rule 14a-8(j), a copy of this letter and its attachments is being mailed on this date to the Proponent informing them of the

Company's intention to omit the Proposal and Supporting Statement from the 2003 Proxy Materials. The Company intends to begin distribution of its definitive 2003 Proxy Materials in the first week of December, 2003, and therefore this letter is being submitted more than eighty (80) days prior to the date the Company will file its definitive Proxy Materials with the Commission.

The Proposal relates to relates to amending the Company's bylaws (the "Bylaws") to restore cumulative voting for the election of directors. The Proposal reads in its entirety as follows:

Resolved, that shareholders wish to restore their rights to cumulative voting for the election of directors, and that Paragraph 2, Section 8, Article II of the Company's bylaws is therefore amended to read as follows:

> "In electing directors of this corporation, the holders of shares shall be entitled to cumulate votes as permitted by the California Corporations Code. Cumulative voting rights may be eliminated in the future only if the elimination is approved by at least 75% of outstanding shares."

A copy of the Proposal and Supporting Statement is attached hereto as Exhibit 1.

We believe that the Proposal and Supporting Statement may properly be excluded from the Company's 2003 Proxy Materials pursuant to the following rules:

1. Rule 14a-8(i)(1) and Rule 14a-8(i)(2) because the Proposal (i) is not enforceable as a bylaw amendment under California law and is, therefore, not a proper subject for action by shareholders and, (ii) violates California law.

2. Rule 14a-8(i)(3), because the Proposal and Supporting Statement contain false and misleading statements in violation of Rule 14a-9.

I. THE PROPOSAL MAY BE EXCLUDED UNDER RULE 14a-8(i)(1) AND RULE 14a-8(i)(2)BECAUSE THE PROPOSAL IS NOT ENFORCEABLE AS A BYLAW AMENDMENT

California Corporations Code ("CCC") Section 708 provides for cumulative voting for a California corporation, except as provided in CCC Section 301.5, which permits a listed company, like the Company, to eliminate cumulative voting by amendment of its articles of incorporation or bylaws. The Company in

1994, with the approval of its stockholders elected to eliminate cumulative voting by amending the Bylaws. Consequently, the first sentence of the second paragraph of Article II, Section 8 of the Bylaws currently states that:

> "In electing directors of this corporation, each share outstanding as of the record date shall be entitled to one vote and such shares shall not be cumulated."

The Proposal, if implemented, would restore cumulative voting in accordance with the CCC by amending the above described bylaw provision. In addition to restoring cumulative voting the Proposal, if implemented, would prohibit the elimination of cumulative voting in the future unless such future elimination is approved by a supermajority of at least 75 percent of outstanding shares (the "Supermajority Provision"). As confirmed in our legal opinion to the Company (the "Opinion"), a copy of which is attached as Exhibit 2, the Supermajority Provision is invalid and not enforceable as a bylaw amendment under California law. The Supermajority Provision could only be implemented as an amendment to the Company's Amended and Restated Articles of Incorporation (the "Articles of Incorporation"), which would require the approval of the Company's board of directors. Consequently, the Proposal is not a proper subject for the Shareholders and may be may be excluded under Rule 14a-8(i)(1).

In addition, implementing the Proposal would, as confirmed in the Opinion, violate CCC Section 301.5, because it purports to add to the **Bylaws** a supermajority requirement to eliminate cumulative voting in the future, and such statute specifically provides that cumulative voting may only be eliminated by the approval of the board of directors and a **majority** of the outstanding shares, unless the **Articles of Incorporation** includes a supermajority provision.[1] Consequently, the Proposal, in violation of California law, seeks to disenfranchise shareholders who

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[1] As explained above, any amendment to the Articles of Incorporation, would also require approval of the Company's Board of Directors. Even if the Proposal were structured as a precatory amendment to the Company's articles of incorporation, the proposal would still be in violation of CCC Section 710, which limits any supermajority provision for a corporation, such as the Company, with more than 100 shareholders to no greater than $66^{2}/_{3}$ percent. CCC Section 710 also provides that amending the articles of incorporation to include a supermajority provision requires the approval by at least as large a proportion of the outstanding shares as is required pursuant to such supermajority provision. CCC Section 710 further provides that any supermajority provision shall cease to be effective two years after the most recent filing of the amendment to the articles of incorporation to adopt or readopt the supermajority vote requirement. The Proposal and Supporting Statement make no reference to such requirements with respect to the Supermajority Provision.

may wish to eliminate cumulative voting in the future. For this reason, the Proposal may be excluded under Rule 14a-8(i)(2).

II. THE PROPOSAL AND SUPPORTING STATEMENT ARE FALSE AND MISLEADING

The Proposal contains the following misstatement:

"Cumulative voting may be eliminated in the future only if the elimination is approved by at least 75% of outstanding shares."

As explained above, this Supermajority Provision cannot be implemented as a bylaw amendment and violates California law. Consequently, such statement is false and misleading and the Proposal should be excluded under Rule 14a-8(i)(3) as misleading in violation of Rule 14a-9.

The misstatements in the Supporting Statement include:

(1) "During the past year investors have seen widespread evidence – some of it, unfortunately, at Farmer Bros. Co. – of the need for effective shareholder representation on corporate boards." This statement is materially misleading because (i) it is stated as a fact, with respect to the Company, that there is "widespread evidence" without any reference to such evidence, and (ii) it implies, without factual basis, that the Company's board of directors do not represent the interests of all shareholders notwithstanding that this year the Company added two independent directors to its board of directors and now a majority of the Company's board of directors are independent in full compliance with the rules recently promulgated by NASD under the Sarbanes-Oxley legislation. The Proponent provides no factual support for this claim and fails to qualify the statement with precatory language indicating that it represents the Proponent's personal opinions.

(2) "Restoring cumulative voting rights, which the Company had eliminated in 1994, will allow the Company's public shareholders to elect one or two members of the board of directors even if management controls over 50% of the voting stock." This statement

is misleading because it is stated as a fact that restoration of cumulative voting will allow public shareholders to elect one or two directors, without any explanation as to how such election will be accomplished.

(3) "Having a real, practical ability to elect directors is the only way investors can promote good corporate governance." This statement is materially misleading as (i) it unduly characterizes cumulative voting as a requirement for good corporate governance notwithstanding that most public companies do not have cumulative voting, and (ii) it implies, without factual basis, that the Company has not practiced good corporate governance despite the fact that a majority of the board of directors are independent directors in accordance with NASD regulations.

(4) "If you want to be able to choose someone you believe will assure board consideration of public shareholder interests, or someone who will be responsive to investor information requirements, then you should vote for this proposal to restore your rights." This statement is vague and materially misleading, as it implies, without factual basis that the board of directors has not adequately considered public shareholder interests, or adequately responded to investor information requirements, despite the fact that a majority of the board of directors are independent directors in accordance with NASD regulations.

Finally, the Supporting Statement unduly characterizes cumulative voting as essential to shareholder representation and good corporate governance, without explaining the practical effect of cumulative voting; i.e., to increase the voting power of minority shareholders.

As a result, the Supporting Statement must be substantially revised before it complies with Rule 14a-8(i)(3)

Please take note that the Proponent is a large institutional investor with ample resources to have researched applicable law and drafted a proper proposal. The Company submits that affording this Proponent any further opportunity to make a proper proposal would be inappropriate and deleterious to the efficient operation of the shareholder proposal process. See *Pacific Enterprises*, March 9, 1990, in which the Staff, without comment, declined to permit a sophisticated investor represented by counsel to cure defects in his proposal. The request for a no-action letter in *Pacific Enterprises* contains citations to a number of other no-action letters on this point.

Would you kindly advise us by fax at 213-687-5600 of your response.

Thank you for your consideration.

Respectfully submitted,

Joseph J. Giunta