April 10, 2006

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F. Street, NE
Washington, D.C. 20549-9303

Re: Proposed Rules Regarding Executive Compensation and Related Party Disclosure (File No. S7-03-06)

Dear Ms. Morris:

We are submitting this letter in response to the request of the Securities and Exchange Commission (the "Commission") for comments on the Commission's proposed rules regarding executive compensation and related party disclosure to be promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), set forth in Release Nos. 33-8655; 34-53185 (the "Proposal"). We appreciate the opportunity to comment on the matters discussed in the Proposal.

We commend the Commission for its efforts to improve investor access to information concerning executive officer and director compensation, related party transactions and security ownership of officers and directors. We believe that the Proposal is a positive and significant step towards greater transparency of executive compensation. The Proposal, however, raises a few questions and concerns that we have outlined below. We have also set forth below certain aspects of the Proposal that we feel may require further clarification and guidance.

I. Summary Compensation Table

A. Determination of Executive Officers to be Included in the Summary Compensation Table

In Section II.B.6.b., the Proposal provides:

"We propose to identify the most highly compensated executive officers on the basis of total compensation for the most recent fiscal year….Both the determination of the most highly compensated officers and the $100,000 disclosure threshold are currently based only on total annual salary and bonus for the last fiscal year. Given the proliferation of various forms of compensation other than salary and bonus, we believe that total compensation more accurately identifies those officers who are, in fact, the most highly compensated. Moreover, basing identification of named executive officers solely on the compensation reportable in the salary and bonus categories may provide an incentive to re-characterize compensation."

We believe that the Commission should retain the existing method of determining the named executive officers based on annual salary and bonus for the following reasons:

- While it is hard to argue with the tautology that using total compensation is the best means of accurately identifying the most highly compensated executive officer, the focus should be on trying to identify those executive officers who, based on current compensation decisions, are the most highly paid. For example, the Proposal is biased toward the inclusion of older executive officers with deferred compensation balances accumulated over a longer career and pension benefit accruals that become more valuable merely because the executive is closer to retirement age, even though the influence and importance of the individual in the organization may have waned. The Proposal will also have the effect of perpetuating compensation decisions made in the distant past, such as multi-year incentive grants, as the basis for determining who are the highest paid executive officers, even though current base salary and current bonus are a more accurate gauge of the Compensation Committee's current assessment of who should be the highest paid executive officers.

- The Proposal will also result in a reduced ability of shareholders to compare the compensation of executive officers over time. We suspect that because of the number of additional compensation elements that will be taken into account, the year to year differences in which individuals are reported as named executive officers will increase dramatically and, in some circumstances, for fortuitous reasons, such as a long-term incentive payout for one executive officer rather than another (perhaps because the other officer is a more recent addition to the company) or a large bonus of a non-recurring nature. This lack of consistency would not be a desirable result.

- While we can understand the Commission's concerns that annual salary and bonus theoretically can be manipulated to include or exclude certain executive officers, the Proposal will increase rather than diminish that potential since there will be many more forms of compensation that can be tweaked in order to seek the result feared by the Commission. For example, two identical options granted to different executives, except that one vests over four years and the other vests over one year, may have virtually the same weight in the determination of named executive officers (as priced under Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment ("FAS 123R")) even though the economic value being conferred on the two executives differs dramatically.

- Most companies try to comply with the requirements of Section 162(m) of the Internal Revenue Code of 1986 (the "Code") in order to minimize the loss of a tax deduction for any compensation paid to a named executive officer in excess of $1 million in a year by relying on an exemption for shareholder-approved performance-based plans. If the Proposal becomes effective in 2007, many persons who may be named in the Summary Compensation Table because of the new method of determination will not necessarily have been participants in Section 162(m)-exempt plans, thereby making certain compensation paid to them in 2007 (and possibly later years) non-deductible. In the long

term, because of the variability in the executive officers named in the Summary Compensation Table for any given year, significant care will need to be taken to ensure that a much larger number of executive officers are added to such Section 162(m)-exempt plans to avoid an unexpected result. This necessity may thereby cause a company to have to compensate these additional executive officers differently than previously planned. Under the current rules, using base salary and bonus, the persons who are named executive officers are generally known with a reasonable degree of certainty at the beginning of the year when this tax planning occurs.

B. Named Executive Officers – Two Additional Individuals

In Section II.B.6.a., the Proposal asks:

> "Should we retain, as proposed, the current requirement that up to two additional individuals for whom disclosure would have been required but for the fact that they were no longer serving as executive officers at the end of the year be included in the disclosure?"

We believe that, given the new required disclosure regarding post-employment payments, retaining the current requirement would not result in any additional material disclosure. In fact, given the Proposal's use of total compensation as the basis for determining which individuals are named executive officers, such disclosures would be common and not particularly enlightening as severance payments would be likely to catapult terminating executive officers regularly into this group. However, if the Commission wishes to continue this disclosure of former executive officers, we suggest the exclusion of termination payments from total compensation. Because termination payments are already disclosed elsewhere, the exclusion would not diminish transparency.

C. Disclosure of Compensation Paid To Employees Who Are Not Executive Officers

Proposed Item 402(f)(2) provides:

> "For up to three employees who were not executive officers during the last completed fiscal year and whose total compensation for the last completed fiscal year was greater than that of any of the named executive officers, disclose each of such employee's total compensation for that year and describe their job positions."

The stated rationale for this disclosure is "so that shareholders will have information about the use of corporate assets to compensate extremely highly paid employees in a company." In Section II.B.3., the Proposal asks:

> "Would the proposed disclosure of up to three employees who are not executive officers but earn more in total compensation than any of the named executive officers be appropriate in the narrative discussion? Should more disclosure be required regarding these employees and their compensation? Is this information material to investors? Will disclosure of this information, particularly in the case of smaller companies, cause

competitive harm? Is disclosure of this information consistent with the overall goals of this proposal?"

We do not believe that this proposed disclosure would be material to investors on the one hand and would have significant disadvantages on the other hand.

- The scope of the rule is unnecessarily broad in that it would potentially require disclosure of total compensation paid to employees who are not executive officers (or even officers) of the company. It is common that in many industries, for example, in the apparel, investment banking and sports industries, non-executives such as designers, traders or athletes may be paid more than certain members of management. There is a sound reason that existing disclosure is limited to executive officers as these officers are in a policy making position for the company. These additional employees for whom disclosure is proposed are not in policy making positions and their compensation is subject to review by their managers in the normal course of running the business. For the same reason that the Commission believes that "[m]ore detailed information about these employees and their compensation does not appear appropriate in light of the fact that they do not have a policy making function at the company", we believe that none of this information appears appropriate for disclosure or material to investors. Disclosure of use of corporate assets has its own materiality levels under the securities laws and companies regularly incur capital costs and other expenditures in amounts exponential to any one person's compensation without the requirement of specific disclosure.

- The Commission has proposed to amend Form 8-K to require disclosure of the execution or amendment of compensatory plans, contracts or arrangements only to the extent that they are material and involve a director, named executive officer, the company's principal executive officer or the company's principal financial officer. The list expands to the company's president, principal financial officer, principal accounting officer or principal operating officer only in connection with such person's retirement, resignation or termination of employment. The purpose of the Commission was to limit Form 8-K disclosure to those compensation arrangements that it deems material to an investor. The Proposal does not include the additional three individuals discussed above on this list, implying that the Commission did not believe their compensation arrangements to be material. The same point may be made with respect to the definition of "material contracts" for purposes of Item 601(b)(1) of Regulation S-K's exhibit requirements.

- Given the scope of the definition of compensation in the proposed rules (particularly including items such as the increase in the actuarial value of pensions) and with no limit on which employees must be considered, keeping track of total compensation for all employees of a company with numerous subsidiaries and lines of business will be difficult and burdensome if a company seeks to ensure that it properly has identified the additional three employees. Indeed, the Proposal acknowledges that

    - Additional costs may be incurred in preparing and presenting required disclosures regarding up to three highly paid non-executive employees; and

  - Information regarding these matters is not currently collected in a way that would facilitate that disclosure.

- Weaving the description of the compensation of these individuals into the explanatory narrative following the Summary Compensation Table would also add complexity to the disclosure and will result in fairly idiosyncratic inclusions and descriptions from year to year depending of the vagaries of contract negotiations, payments under incentive arrangements, sign on bonuses, profitability of specific business units, success of various sports teams, etc.

- While identification of the individual is not required, it is likely that competitors who are knowledgeable about the industry will quickly deduce the identity, be able to judge the profitability of the units that employ such individual and determine who to target in recruiting efforts as they seek to establish a competitive business. Moreover, a competitor could also garner information regarding the business divisions or areas that a company is trying to build up through this disclosure to the company's disadvantage.

- This compensation disclosure could also lead to dissension among employees who are treated differently. Compensation decisions below the level of executive officers named in the proxy statement are normally kept very confidential in order to avoid that dissension and attempts by employees to ratchet up compensation to match the compensation paid to more favorably treated peers.

- As the Commission is aware from the comments it received in 1978 (when its then proposed rules could have resulted in disclosure of the names and compensation of executives of subsidiaries of the company who did not perform policy making functions for the company), any expansion of the group of individuals for whom disclosure is required raises privacy and security concerns. While it may be appropriate to require compensation disclosure of executives in a policy making position even in the face of these arguments, the benefit of this additional disclosure for employees who are not in a policy making position does not outweigh these concerns. As mentioned above, the fact that these disclosures do not identify the particular individuals involved, while helpful in addressing these concerns, will not, in many cases, successfully disguise their identity.

We would also recommend that if this disclosure requirement remains in some form that the final rule contain a statement that the Commission does not intend, by these revisions, to alter in any way the application of Section 162(m) of the Code. Section 162(m) applies to any employee of the company for the taxable year whose compensation is "required to be reported" to shareholders under the Exchange Act by reason of such employee being among the four highest compensated officers for the taxable year (other than the chief executive officer). For example, a statement that the compensation of such additional employees is not "required to be reported," because the individual is not required to be identified and the compensation only has to be described, could be included.

D. Disclosure of Repriced or Modified Options and Stock-Based Awards

The Proposal would require that the total fair value of any award of stock options, stock appreciation rights ("SARs") and similar instruments with option-like features (as calculated by the company for financial statement reporting purposes under FAS 123R) be disclosed in the Summary Compensation Table in the year such award is granted to the named executive officer.

The Proposal states in Instruction 2 to Item 402(c)(2)(vi) and (vii):

> "If at any time during the last completed fiscal year, the registrant has adjusted or amended the exercise price of stock options or SARs previously awarded to a named executive officer, whether through amendment, cancellation or replacement grants, or any other means ("repriced"), or otherwise has materially modified such awards, the registrant shall include, as awards required to be reported in column (g), the total fair value of options or SARs as so repriced or modified, measured as of the repricing or modification date."

Further, in the narrative disclosure required with respect to the Summary Compensation Table, the Proposal glosses this provision by stating that the company must provide a description of how the award was repriced or materially modified "such as by extension of exercise periods, the change of vesting or forfeiture conditions, the change or elimination of applicable performance criteria, or the change of the bases upon which returns are determined."

By including the reference to "material modification," the Proposal goes far beyond the scope of current Item 402(i)'s report on repricing of options and SARs. As a result, we have the following concerns:

- It is not clear what standard the Commission envisions companies to employ for a determination of material modification. Leaving it up to companies to decide independently undermines the Commission's desire to enhance comparability. We believe that in order to promote consistency in disclosure among companies, the Commission should include a more explicit definition of "material modification" or set forth more specific guidelines for companies to follow in making their own determinations. The Commission may wish to consider looking to other applicable regulatory regimes regarding their definitions of material modification – e.g., financial accounting purposes, tax-favored status of incentive stock options under Section 422 and exemption from deferred compensation regulation under Section 409A of the Code and stockholder approval under the rules of the New York Stock Exchange and NASDAQ.

- The repricing of an option under current Item 402 would require the inclusion of an additional table setting forth pertinent details of the repricing. However, under the Proposal, a repricing or material modification of an option would require the total fair value of that option to be reported in the Summary Compensation Table. While we note that the accompanying narrative would explain that the option whose repriced value is being included in the Summary Compensation Table had already had its grant date fair value included at the time of grant, we fear that investors will simply look at the number

in the Summary Compensation Table and not continue to read and realize the circumstances of its inclusion. We are concerned that this approach would lead investors to "double count" options and their value. Accordingly, we believe that only the increase in value of the repriced option over the value of the option immediately prior to repricing should be disclosed as additional compensation to the executive officer.

- The Proposal picks up in Instruction 2 to proposed Item 402(f) the exception to disclosure found in current Item 402(i). Such instruction states that the "disclosure required by paragraph (f)(2) of this Item would not apply to any repricing that occurs through a pre-existing formula or mechanism in the plan or award that results in the periodic adjustment of the option or SAR exercise or base price, an antidilution provision in a plan or award, or a recapitalization or similar transaction equally affecting all holders of the class of securities underlying the options or SARs." We would appreciate clarification on the following three points:

    - The exception speaks only of options and SARs; however, we believe that the Commission meant for the exception to apply to similar instruments with option-like features since the Commission requires the same disclosure for these instruments as for options and SARs.

    - The exception is found only with respect to the narrative disclosure of repricings under proposed Item 402(f); however, we believe that the Commission meant for the exception to apply to the tabular disclosure and to material modifications as well.

    - The Commission includes as a material modification any change or elimination of performance criteria. As the exception was taken from current Item 402(i), it does not specifically address the adjustment of performance criteria (for example, targets set in connection with the earning or vesting of awards) in similar circumstances (such as the acquisition or disposition of a material subsidiary); however, we believe that the Commission meant for the exception to apply to similar adjustments of performance criteria as well.

E. Disclosure of Earnings on Stock-Based Awards

Item 402(c)(2)(vi) and (vii) of the Proposal would require the disclosure in the Summary Compensation Table of all earnings on outstanding stock-based awards (e.g., dividends on restricted stock or dividend equivalents with respect to stock options). This is a departure from the prior disclosure requirement of above-market or preferential earnings on such awards. We believe that the Proposal should retain the prior disclosure requirement, especially given the Proposal's change to the initial reporting of such awards. Disclosure of restricted stock has always taken dividends into account as the compensation amount was based on the grant date closing price on the market of the stock and market price inherently includes a stock's anticipated dividend stream. The Proposal now requires that the grant date fair value of all stock-based awards, including options, be reported in the Summary Compensation Table. Grant date fair value will be calculated under FAS 123R in accordance with the company's financial

statement reporting. The grant date fair value of an award calculated pursuant to FAS 123R generally takes into account whether dividends[1] (or dividend equivalents) [2] will be paid with respect to the award. To include the actual dividend (or dividend equivalent) paid in the Summary Compensation Table would result in redundant disclosure of compensation already reflected at the time of grant.

F. Individual Perquisite Identification

Proposed Item 402(c)(2)(ix) provides that any perquisite or personal benefit must be identified in a footnote to the Summary Compensation Table "unless the aggregate value of perquisites and personal benefits is less than $10,000, and must be quantified if it is valued at the greater of $25,000 or 10% of total perquisites and other personal benefits.…" In Section II.B.1.d.iii., the Proposal asks:

> "Should all perquisites be required to be separately identified when the $10,000 aggregate threshold is exceeded, as proposed?"

We believe that the requirement to identify every perquisite, no matter how low its value, would be unduly burdensome and would not, by definition, result in additional material disclosure. In the alternative, we propose a de minimis threshold below which no separate disclosure would be required (although the amount would of course be included in the tabular disclosure). We believe it would be sufficient to limit individual identification of perquisites to those whose value exceeds $5,000. As the Proposal itself notes in Section II.B.1.d., the use of a $10,000 threshold for determining when items of compensation generally must be separately identified "balances [the Commission's] desire to avoid disclosure of clearly de minimis matters against the interests of investors in the nature of items comprising compensation." We believe that a $5,000 individual identification threshold, together with the Proposal's individual quantification threshold, would serve to balance these interests in the context of perquisites.

II. Retirement Plan Potential Annual Payments and Benefits Table

Instruction 4 to Item 402(i)(2) of the Proposal states:

> "Quantification of benefits should reflect the form of benefit currently elected by the executive, such as joint and survivor annuity or single life annuity, specifying that form in a footnote. Where the named executive officer is not yet eligible to retire, the dollar

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[1] As explained in Paragraph B93 of FAS 123R's Appendix B: Basis for Conclusions, "[t]he fair value of a share of stock in concept equals the present value of the expected future cash flows to the stockholder, which includes dividends. Therefore, additional compensation does not arise from dividends on nonvested shares that eventually vest. Because the measure of compensation cost for those shares is their fair value at the grant date, recognizing dividends on nonvested shares as additional compensation would effectively double count those dividends."

[2] As explained in Paragraph B91 of FAS 123R's Appendix B: Basis for Conclusions, "[s]ome employee share options are dividend protected. Dividend protection may take a variety of forms….the option holder may receive the dividends or dividend equivalent payments in cash….Accordingly, this Statement requires that dividend protection be appropriately reflected in estimating the fair value of a dividend-protected option rather than specifying a single method of doing so."

amount of annual payments and benefits that the named executive officer would be entitled to receive upon becoming eligible shall be computed assuming that the named executive officer will continue to earn the same amount of compensation as reported for the registrant's last fiscal year."

- We believe that requiring benefits to be stated in the form currently elected defeats the Commission's goal of comparability among executive officers of different companies and even among executive officers of the same company. For example, disparities in age between spouses, combined with the election of joint and survivor annuities, would affect the amount to be disclosed. As a result, two executive officers of the same age and years of service would have differing benefits payable for life under the same plan depending upon the ages of their respective spouses – the younger the spouse, the lower the annual benefit paid to the executive officer. Moreover, this approach could also potentially confuse comparability between the amounts reported for the same executive officer from one year to another, as a result of changes in form of benefit elected or marital status. We believe that if the Commission wishes to retain this disclosure, the Commission should consider whether a standard form of benefit should be specified. Depending upon the form specified, other factors (such as the ages of executive officers) may need to be included in the table to aid understanding.

- The second sentence of the instruction clearly indicates that compensation as of the end of the last fiscal year should be used to determine benefits to which the executive officer would be entitled upon becoming eligible to retire; however, it is unclear as to the years of service to be used for such determination. We would appreciate the Commission's clarification that years of service as of the end of the last fiscal year should also be used for this determination.

III. Nonqualified Deferred Contribution and Other Deferred Contribution Plans Table

Item 402(j) of the Proposal would require tabular disclosure of the following aggregate dollar amounts with respect to nontax-qualified deferred compensation plans in the last fiscal year: (1) executive contributions, (2) company contributions, (3) aggregate earnings, (4) aggregate withdrawals/distributions and (5) aggregate balance at year end.

If the purpose of Item 402 is to ensure shareholders' comprehension of the total compensation paid to its top executive officers, then we believe the only amounts relevant to furthering this goal are: (a) the aggregate amount provided by the company, (b) earnings on the company's contributions, (c) above-market or preferential earnings on the executive's compensation and (d) the number of years of accumulation. The other information requested – in particular aggregate earnings in the last fiscal year – is irrelevant. We understand that the supplemental tables are an opportunity to expand upon the various kinds of compensation provided to a company's executive officers. However, it does not make sense to depict amounts deferred by an executive officer out of his or her reported compensation and any fair market earnings on such amounts as additional compensation that needs to be quantified in a table. Although the company may provide the ability for executive officers to defer such amounts in a

tax-advantageous manner, the company also benefits from use of the deferred amounts. To set forth these amounts in a proxy statement seems to us to be the equivalent of including the amount of salary deposited into, and interest earned on, an executive officer's bank account. Indeed, even with respect to earnings on the company's contributions, as the original compensation was disclosed, only above-market or preferential earnings could truly be viewed as additional compensation.

IV. Other Potential Post-Employment Payments

Item 402(k) of the Proposal requires narrative disclosure of termination or change in control provisions and payments. In Section II.B.5.c., the Proposal states:

> "As proposed, a company would be required to provide quantitative disclosure under these requirements even where uncertainties exist as to amounts payable under these plans and arrangements. In the event that uncertainties exist as to the provision of payments or benefits or the amounts involved, the company would be required to make reasonable estimates and disclose material assumptions underlying such estimates in its disclosure."

The Proposal asks:

> "Should we require companies to provide quantitative disclosure as proposed? If not, how can there be assurance that investors can understand the significant amounts of compensation that may be involved?"

While we appreciate the need for increased transparency with respect to potential post-employment payments, quantification of potential termination payments such as tax gross-up amounts would require complex calculations and projections based on highly circumstantial and situational facts and variables.

- For example, termination or change-in-control agreements often provide for different payments upon different triggering events, requiring multiple calculations for each possible scenario. It is often not simply a matter of termination with or without cause, but with or without cause before or after a change in control that governs payment provisions. Moreover, after a change in control, an executive officer is often permitted to terminate for good reason within a certain time period, with different payments provided in such case. In addition, many payments resulting from a change in control involve stock or stock-based awards and therefore will be highly dependent upon the price of the stock and/or the terms of the change-in-control transaction itself. The resulting disclosure is therefore unlikely to be precise or materially helpful to investors. It could also lead companies seeking completeness to posit change-in-control scenarios that could mislead investors regarding their likelihood of occurrence (e.g., assuming a merger at X price per share).

- If companies were required to attempt to quantify potential termination and change-in-control payments, further guidance and clarification would be needed with respect to the

types of disclosure that must be made and the assumptions that should be made. Otherwise, companies, while acting in good faith, will end up proffering widely varying disclosure again defeating comparability.

V. Certain Relationships and Related Transactions

The Proposal will streamline and simplify the disclosure required under Item 404 of transactions between companies and related parties. We laud this effort and take the opportunity to seek clarification on an issue of interest and uncertainty. Specifically, we seek confirmation and clarification of the position taken in the Commission's Division of Corporation Finance Manual of Publicly Available Telephone Interpretations (Item J.48, July 1997) that a company's reimbursement to an officer of legal expenses with respect to a lawsuit in which the officer was named as a defendant, in her capacity as officer, should be disclosed pursuant to Item 404 of Regulation S-K rather than pursuant to Item 402. If true, we would assume that it would also apply to non-employee directors in the same position and to any indemnification payments made under similar circumstances to either officers or non-employee directors. However, if all such payments are indeed required to be disclosed under Item 404, we seek clarification that such disclosure would not prevent non-employee directors from qualifying as "Non-Employee Directors" under Rule 16b-3 promulgated under the Exchange Act. We believe that this must be the case as, if such determination hinged on reimbursement of legitimate expenses and indemnification payments, Non-Employee Directors would be rare indeed.

VI. Compensation Discussion and Analysis

In Section II.A.4., the Proposal asks:

> "Would any significant impact result from treating the Compensation Discussion and Analysis as filed and not furnished? A commentator that prefers furnishing over filing should describe any benefits that would be obtained by treating the material as furnished."

We believe that, regardless of any benefits that might be obtained by treating the material as filed instead of furnished, such treatment would be inappropriate for practical and policy-based considerations alike.

As the Proposal itself notes, the Compensation Discussion and Analysis disclosure would be covered by the certifications that companies' principal executive officers and principal financial officers are required to make under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The Proposal also states that the new Compensation Discussion and Analysis "should focus on the material principles underlying the company's executive compensation policies and decisions," including specific details regarding the material elements of the company's compensation for its named executive officers. Good corporate governance dictates that executive officers cannot be privy to the compensation decision-making process, particularly with respect to their own compensation. Therefore, we question the feasibility and the policy implications of requiring officers to certify to disclosure when they are necessarily excluded from the very deliberations that form the basis for that disclosure. If the Commission insists that

the benefits to be obtained demand that the CD&A be filed instead of furnished, we believe that the CD&A should be carved out of the officer certifications in question.

VII. Amendments to Sections 1.01 and 5.02 of Current Report on Form 8-K

We appreciate the Commission's realization that reporting of employee compensation arrangements pursuant to Section 1.01 of Current Report on Form 8-K has led to filings of matters that would not be viewed as "unquestionably or presumptively material." We also applaud the consolidation in Section 5.02 of notice of the retirement, resignation or termination of a company's principal officers, named executive officers and directors with notice of the material compensation arrangements or grants (or amendments thereto) entered into in connection with those events. However, we continue to believe shareholders' interest would be best served by disclosing material compensation arrangements (or amendments thereto) entered into in the ordinary course with a company's principal executive officer, principal financial officer or named executive officer on a quarterly basis in the company's Quarterly Report on Form 10-Q. Even with the helpful amendments in the Proposal, we believe that companies will continue to err on the side of caution and continue to file more Forms 8-K regarding compensation matters than are required, thereby inundating investors with numerous filings and immaterial disclosure and making it difficult for them to find the relevant among the immaterial. As with many other important matters required to be disclosed therein, we believe that disclosure in the Form 10-Q would be the best and most user-friendly manner of updating shareholders on any new or amended material compensation arrangements and grants entered into by a company in the ordinary course with its top executives.

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We thank you for the opportunity to submit this comment letter. We would be happy to discuss with you any of the comments described above or any other matters you feel would be helpful in your review of the Proposal and the comments you receive. Please do not hesitate to contact A. Richard Susko, Arthur H. Kohn or Mary E. Alcock (212-225-2000) if you would like to discuss these matters further.

Very truly yours,

CLEARY GOTTLIEB STEEN & HAMILTON LLP

cc: The Honorable Christopher Cox, Chairman
The Honorable Cynthia A. Glassman, Commissioner
The Honorable Paul S. Atkins, Commissioner
The Honorable Roel S. Campos, Commissioner
The Honorable Annette L. Nazareth, Commissioner
John W. White, Director, Division of Corporation Finance