

January 24, 2007

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

Re: File Number S7-03-06; Executive Compensation
and Related Party Disclosure

Dear Ms. Morris:

We are submitting this letter in response to the solicitation by the Securities and Exchange Commission (the "Commission") of comments on the interim final rules regarding the disclosure requirements for executive and director compensation, as contained in Release Nos. 33-8765 and 34-55009 (the "Release").

For the reasons discussed below we recommend that the Commission clarify certain aspects of the interim final rules.

A. The Change in Reporting of Salary or Bonus Forgone in Favor of Non-Cash Compensation Could Lead to Inadvertent Double Counting

Under the newly adopted executive compensation disclosure rules, registrants must report the amount of salary or bonus forgone at the election of a named executive officer in favor of receiving a non-cash form of compensation such as a stock or option award in the Salary or Bonus column of the Summary Compensation Table, pursuant to the Instructions to Item 402(c)(2)(iii) and (iv). The new rules also require footnote disclosure of the receipt of non-cash compensation that refers to the Grants of Plan-Based Awards Table where the stock, option or non-equity incentive plan award is reported. However, a literal reading of Items 402(c)(2)(v) and (vi) would also require registrants to report the value of these stock and option awards in the Stock Awards or Option Awards column of the Summary Compensation Table in the year of grant and possibly in subsequent years as those amounts are recognized for financial statement reporting purposes in accordance with FAS 123R. Items 402(c)(2)(v) and (vi) do not include any express exceptions or instructions to exclude any awards already reflected in the salary or bonus columns under the revised rules. This could lead to double counting of the same compensation.

The text of the Release indicates that "[r]eporting such forgone amounts in the Stock Awards or Option Awards columns . . . is inconsistent with the original terms of the award that would have compensated the named executive officer in cash." Moreover, the SEC staff has confirmed to us orally that the intent of the amendment was not to require such compensation to be reported in the Stock Awards or Option Awards column. We recommend

that the SEC clarify the revised rule and add instructions excluding from the Stock Awards or Option Awards column (in the year of receipt and subsequent years) the value of stock or option awards received in lieu of salary or bonus that a named executive officer has forgone.

B. Disclosure Requirements for Actual Forfeitures of Awards Should be Clarified

The Release states that if a named executive officer forfeits a stock award, the amount of compensation cost previously disclosed in the Summary Compensation Table should be deducted in the year during which the award is forfeited. However, Items 402(c)(2)(v) and (vi) of the rules simply provide that the dollar amount in the Stock Awards and Option Awards columns in the Summary Compensation Table should be the same as the amount recognized for financial statement purposes in accordance with FAS 123R, and do not specifically address the deduction of forfeited amounts.

It would appear that the reversal of compensation expense for financial statement reporting purposes would not necessarily be the same as amounts previously disclosed in the Summary Compensation Table. This is because the amounts previously disclosed in the Summary Compensation Table (pursuant to the Instructions to Item 402(c)(2)(v) and (vi)) exclude estimates of forfeitures related to service-based vesting conditions, whereas such estimates are not excluded for purposes of calculating compensation costs in the financial statements. Thus, under the literal terms of the rules, the amount required to be deducted in the Summary Compensation Table as a result of a forfeiture of an award in accordance with financial statement reporting requirements would not necessarily match the amount that was actually previously reported as compensation in the Summary Compensation Table. Again, the SEC staff has orally confirmed to us that the intent of the rules was to provide for deduction in the year of forfeiture of the actual amount of compensation cost previously disclosed in the Summary Compensation Table. We recommend that the SEC clarify and add instructions regarding the deduction in the Summary Compensation Table for forfeited awards.

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CHADBOURNE
& PARKE LLP

We appreciate the opportunity to comment on the Release, and would be happy to discuss any questions the Commission or its staff may have with respect to our comments. Any such questions may be directed to Marc Alpert (212-408-5491) or Kevin Smith (212-408-1092).

Very truly yours,

Chadbourne + Parke LLP

VIA E-MAIL