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CHAIRMAN'S
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Jan. 18, 2006

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OFFICE OF THE SECRETARY

Mr. Christopher Cox
Chairman, SEC
100 F Street NE
Washington, DC 20549

Dear Mr. Cox:

Thank you for proposing to provide more complete disclosure of executive pay, including the value of stock options.

Another matter that needs your attention is the practice of awarding CEOs tens of millions of dollars for bringing off a merger. For example, Fiorina completed a questionable merger of her company Hewlett Packard and then took her hundred million dollars and left the company.

Supposedly, the capital markets will allocate capital efficiently. But in Fiorina's case and in many others, the incentive of tens of millions of dollars inevitably causes the CEO to effect the merger, regardless of whether this massive reallocation of capital makes sense. Thus every citizen of the country is harmed by destructive misallocation of capital.

A situation where perverse market incentives result in massive and destructive misallocation of capital is one that requires intervention and regulation. I hope you will give your attention to this.

Yours truly,

Benjamin D. Day

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