

MEMORANDUM

October 3, 2006

TO: File No. S7-03-06

FROM: Susan Nash
Division of Investment Management

RE: Executive Compensation Disclosure – Release No. 33-8735

On October 3, 2006, John White and Paula Dubberly, Division of Corporation Finance, and Andrew Donohue and Susan Nash, Division of Investment Management, met with Barry Barbash and David Joire of Willkie Farr & Gallagher and Thomas Lemke, General Counsel, Legg Mason, Inc., to discuss forthcoming comments from Legg Mason related to the Commission's request for additional comment in the above-referenced matter. In particular, Messrs. Barbash and Lemke indicated that Legg Mason intends to submit a comment letter raising concerns related to the proposed disclosure requirement regarding the total compensation and job description of up to three most highly compensated employees who earn more than any of the named executive officers.