



**Baker & McKenzie LLP**

10250 Constellation Boulevard  
Suite 1850  
Los Angeles, CA 90067  
United States

Tel: +1 310 201 4728  
Fax: +1 310 201 4721

815 Connecticut Avenue, N.W.  
Washington, DC 20006-4078  
United States

Tel: +1 202 452 7000  
Fax: +1 202 452 7074  
[www.bakermckenzie.com](http://www.bakermckenzie.com)

May 07, 2026

Chairman Paul S. Atkins  
Commissioner Hester M. Peirce  
Commissioner Mark T. Uyeda  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: Supplemental Submission on the Executive Compensation Rules

The U.S. Securities and Exchange Commission should take expedited steps to end or suspend the requirement under its Executive Compensation Rules that publicly traded companies characterize and disclose personal security costs for executives as a perquisite or “perk.” Doing so would remove impediments for boards to approve necessary security to protect executives and their families against escalating threats.

Since the Commission announced its review of the Executive Compensation Rules, the threat environment for corporate executives and their families has worsened. For example, [an individual was arrested](#) last month for allegedly attempting to harm a tech executive and others while carrying a document listing names and addresses of apparent board members, chief executives of artificial intelligence companies, and investors. The individual also allegedly posted [a chilling call for “Luigi’ing some tech CEOs”](#) in an internet chatroom prior to the alleged acts, apparently referencing Luigi Mangione, the accused killer of the UnitedHealthcare CEO. More recently, a [gunman was indicted on felony charges](#) for an attempted assassination of the President at the White House Correspondents’ Dinner, where numerous CEOs were present ([some with their own security details](#)). Ongoing global conflicts and geopolitical tensions further increase risks to CEOs.

As discussed in our prior submission to the Commission as part of its Roundtable on the Executive Compensation Rules, it makes little sense to categorize executive personal security as a perk.<sup>1</sup> Under the current rules, company-provided security at a personal residence or during personal travel is automatically treated as a perk. In today’s threat environment, executives would dispute that protection for themselves or their families is a personal benefit rather than a burden of the job. In practice, it is often impossible to separate an executive’s “personal” and “business” capacities: executives represent the company wherever they go and are targets for those seeking to inflict harm or infiltrate systems for personal, political, or social motives.

Disclosure of these security costs is not material to investors; it primarily caters to curiosity about executives’ personal lives.<sup>2</sup> The requirement also imposes meaningful costs. Beyond the time and expense of tracking and preparing the disclosures, treating personal security as a perquisite can deter or delay companies from providing needed protection or can pressure companies to reduce coverage – an outcome we have seen repeatedly in practice. Boards and management face pressure to manage reported total compensation for named executive officers, forcing

---

<sup>1</sup> Jennifer Broder and Peter Chan, Submission to the SEC’s Executive Compensation Roundtable: The Real Life of a CEO: Modern Day Issues Regarding Security, Accessibility and Travel Expectations, June 26, 2025 (available at: [4855-617167-1810434.pdf](#)).

<sup>2</sup> See [Remarks before the Executive Compensation Roundtable by Commissioner Hester M. Pierce](#), June 26, 2025.

difficult tradeoffs even where security is necessary to perform an executive's job responsibilities. Including security costs as perks inflates reported executive compensation and can subject boards and CEOs to unwarranted criticism from the media or general public. Moreover, disclosure about a company's security program and the extent of an executive's protection (or lack thereof) may reveal information that bad actors could use to exploit vulnerabilities. Reporting these costs as compensation also distorts reality: there is no meaningful "market" standard for CEO security because threat profiles vary widely. Boards should not be pushed toward benchmarking security spend through a compensation consultant's percentile analysis when deciding what protection is appropriate.

We also caution the Commission not to limit relief to security provided pursuant to a security study under applicable IRS regulations, which may not reflect evolving threats at any given time.<sup>3</sup> We support a standard that recognizes companies must act quickly and nimbly in determining appropriate coverage for executives and their families. As Director of the Division of Corporation Finance Jim Maloney recently observed, "we live in a world that changes moment to moment."<sup>4</sup> Boards should be empowered to make security coverage decisions in real time based on the specific threat environment facing their executives.

We applaud the Commission and Staff for their ongoing review to amend the Executive Compensation Rules. While the review is understandably complex and may take time, the Commission has acted quickly in other contexts through exemptive orders, no-action letters, and Corporation Finance Interpretations.<sup>5</sup> The SEC has also shown a commitment to modernize rules and provide boards greater regulatory flexibility to make decisions in the best interests of their companies and investors.<sup>6</sup> Correcting the flawed categorization of personal security as a perk should be a straightforward, high-impact step with immediate real-world consequences for the safety of U.S. public company executives.

We urge the Commission to take expedited steps to end or suspend the requirement to report personal security as compensation (as well as any requirement to report security expenses under Item 404 of Regulation S-K) in light of the alarming increase in threats against corporate executives and their families.

Best Regards,



Jennifer M. Broder  
Partner  
+1 310 616 5532  
Jennifer.Broder@bakermckenzie.com



Peter Chan  
Partner  
+1 312 861 2875  
Peter.Chan@bakermckenzie.com

cc: Jim Maloney

---

<sup>3</sup> The Commission acknowledged in the [2006 Adopting Release](#) on the Executive Compensation Rules that tax rules and securities disclosure requirements are driven by different considerations.

<sup>4</sup> [Fireside Chat with SEC Corp Fin Director Jim Maloney at the Berkeley Center for Law and Business](#), April 29, 2026 ("Maloney Fireside Chat"), at 22:17.

<sup>5</sup> See [Maloney Fireside Chat](#), starting at 25:20.

<sup>6</sup> See [Statement on Proposing Release for Semiannual Reporting by Chairman Paul S. Atkins](#), May 5, 2026.

Director, SEC Division of Corporation Finance