

September 15, 2009

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**File Reference No. S7-13-09**  
**Proposed Rule Release No. 33-9052, *Proxy Disclosure and Solicitation Enhancements***

Dear Ms. Murphy:

Deloitte Consulting LLP is pleased to comment on Proposed Rule Release No. 33-9052, *Proxy Disclosure and Solicitation Enhancements*, issued by the Securities and Exchange Commission (the "Commission").

Our comments relate to the proposed amendments to Item 407(e)(3)(iii) of Regulation S-K on Compensation Committee disclosures. We support the Commission's goal of improving the transparency of the role of the Board or its Compensation Committee, and its advisors, in the pay approval process. By including the proposed amendments with other disclosures related to the Compensation Committee, the Commission has properly emphasized the importance of the objectivity required of the Compensation Committee in approving compensation.

It is considered a best practice for a Compensation Committee to hire its own executive compensation consultant. Therefore, we agree that it may be useful for investors to have sufficient information to assess whether the level of other services provided to the company by the Compensation Committee's consultant has the potential to create the risk of a conflict of interest, or the appearance of a conflict of interest, such that the consultant's recommendation may not be viewed as objective. More specifically, as the Commission describes it, disclosure related to potential conflicts that may "call into question the objectivity of the consultants' executive pay recommendations" may be beneficial to investors.

The additional disclosure, therefore, should be focused on the information most relevant to assessing the objectivity of consultants who make recommendations to the Compensation Committee. For that reason, we believe the Commission should clarify in the final amendments that the required disclosure in Item 407(e)(3)(iii) is limited to those compensation consultants who are retained by the Compensation Committee, or those retained by management *only if* the Compensation Committee does not retain its own advisor.

Item 407 does not explicitly distinguish between consultants retained by the Compensation Committee and those retained by management. As a result, some could interpret this item to require that disclosures be made about a consultant retained by management, even if the Compensation Committee has retained its own advisor and therefore there is no risk of a conflict of interest, or the appearance of a conflict of interest, with regard to management's consultant. As such, the proposed amendments could result in significant additional disclosure that may confuse

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investors and other readers, rather than clarify the role and potential conflicts of interest of the Compensation Committee's advisor.

For example, assume that a Compensation Committee has its own advisor (Consultant 1) and that neither Consultant 1 nor its affiliates provide any additional services to the company. In addition assume that management hires an advisor (Consultant 2) to advise it on design of the performance vesting criteria to be used in an equity award or to recommend modifications to an incentive plan to comply with Sections 409A and 162(m) of the Internal Revenue Code.

In this example, under the proposed amendments, the company would not have to disclose fees paid to Consultant 1, because Consultant 1 does not provide any additional services to the company. However, although there is no conflict of interest or appearance of a conflict of interest created by the work of Consultant 2 (because the Compensation Committee has its own consultant) if Consultant 2 or any of its affiliates provide any other services to the company, the broad language of the proposed amendments could be interpreted to require fee disclosure related to Consultant 2.

We do not believe that this result would be consistent with the goal of the proposed amendments, which is to help investors assess the objectivity of the Compensation Committee's decisions. Rather, in this situation, the proposed amendments could be interpreted to require extensive disclosure about services that do not present any potential conflict of interest relevant to the Compensation Committee, resulting in more disclosure than is presented about the Compensation Committee's own advisor.

We therefore recommend that in the final amendments to Item 407(e)(3)(iii) the Commission clarify that the disclosure about compensation consultants is only required when either:

- The consultant is retained by the Board or Compensation Committee, or
- The consultant is retained by management *only if* the Board or Compensation Committee does not have its own independent advisor.

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Deloitte Consulting appreciates the opportunity to comment on the proposed amendments. If you have any questions concerning our comments, please contact Michael S. Kesner at (312) 486-2555.

Yours truly,

/s/ DELOITTE CONSULTING LLP

By: Michael S. Kesner  
Principal