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Mary Schapiro
 Chairman
 U.S. Securities and Exchange Commission
 100 F Street, NE
 Washington DC 20549

Dear Chairman Schapiro,

I note with regret that the proposed changes to disclosure in the Summary Compensation Table falls foul of the apples and oranges in the same basket mistake that was originated in the original disclosure rules. I can only reiterate my plea for a normalization of this table to that it contains only **realized compensation** and not a mix of realized and estimated potential future compensation. I have recopied my suggestion for reforms below that would greatly enhance shareholders understanding of past and present compensation decisions, particularly in light of their potentially having to vote on executive compensation as well as the election of members of the compensation committee.

As far as the Summary Compensation Table is concerned, it would seem that the best way forward would be to have two such tables: one that indicates monies received in the year – Realized Compensation; and another that discloses the target, future level of compensation aimed at by present grants and awards – Realizable Compensation.

The two tables would therefore include the following items for each named executive officer. All amounts are dollar amounts:

“Realized Compensation”: Compensation received in fiscal year	“Realizable Compensation”: Target compensation
Base salary	Base salary rate (the rate set during the year, not the amount paid)
All other compensation (itemized in supplemental table, but see below)	Expected cost of all other compensation (itemized in supplemental table, but see below)
Annual cash bonus	Target annual bonus
Value of any vested time-restricted stock	Grant date value of any time-restricted stock award
Value of any exercised stock options	Grant date value of stock options
Value of any other LTIP payout – Cash amount in one column/equity amount in	Target payout of any other LTIP – Cash amount in one column/equity amount in

another	another
Actual increase in pension value and non-qualified deferred compensation earnings	Expected cost of increase in pension value and non-qualified deferred compensation earnings
Total realized compensation	Total realizable compensation

In this way, all the “apples” will be in one table, and all the “oranges” (whether they be Navel or Seville) will be in another. Such an arrangement would also negate the need for the Grants of Plan-based Awards Table.

You will note that I have suggested that the Bonus and Non-equity Incentive Compensation amounts are conflated into a single Annual Cash Bonus column. The distinction between Bonus and Non-equity Incentive Compensation is often not clear and has caused immense confusion among shareholders and some commentators. In addition, it is not sufficient distinction that some companies have bonus plans that set targets at the beginning of the year and others assess performance at the end of the year. Truly discretionary bonuses such as signing payments and guaranteed bonuses should be recorded under All Other Compensation, not the bonus column.

I have also suggested that long-term cash compensation be disclosed separately. This is another area that has caused immense confusion for shareholders when the Non-equity Incentive Compensation amount includes two or even more types of compensation that can represent payouts from multiple plans each measuring different kinds of performance over different time periods. This combination is again not helpful to shareholders trying to understand where compensation has originated

While these two suggested tables would negate the need for the Grants of Plan-based Awards Table, I would suggest retaining the Options Exercised and Stock Vested Table for a number of reasons. Firstly, this will allow shareholders to see how many options were exercised and how many shares vested, as they do now. I would like to make some suggestions for changes and additional disclosure to this table, however. Like the separation of short and long-term cash bonuses, I would also suggest that time-restricted and performance-restricted stock be separated – as they are in the current Grants of Plan-based Awards Table. This will allow shareholders more clearly to see how much compensation has been earned based on performance and how much on merely remaining in post – a valuable distinction. Finally, additional disclosure should be required in this table that details the grant dates of these awards and the original exercise price in the case of options. In almost every case I have examined companies have very carefully explained how and when future compensation might be earned, but in most cases there is no information as to where the long-term awards that are described in this table originated. You would have thought companies would volunteer such information as it would go a long way to justifying what are often very substantial amounts of compensation, yet I have found none do. On the other hand, those companies to whom I have suggested this voluntary disclosure have reacted very positively, understanding that it might improve their shareholder relations substantially.

A shareholder who can see clearly that a CEO has waited nine and a half years to exercise an option and who has overseen a considerable increase in the stock price rise can readily

understand where such option profits have originated, and that if they had bought stock at the same time as the option was granted would have benefited from the same appreciation in value.

Disclosing golden parachutes

I also note that no proposals have been made to normalize the disclosure of severance benefits despite the fact that such payments continue to attract a great deal of extremely negative attention from directors, shareholders, the press, the public, the Treasury Department and Congress itself.

How can shareholders possibly vote on approving a golden parachute if they do not know exactly how much that golden parachute may cost them in the future and under every single separation circumstance.

With current proposed legislation before congress, proper disclosure surrounding this issue has become even more urgently required.

SEC rules currently state that severance benefits be disclosed in a narrative, requiring that companies give the estimated payments and benefits that would be provided in each termination circumstance.

The SEC's "alternative narrative disclosure" did not improve matters to the fullest extent possible, and it would have been far more effective to mandate these disclosures in tabular form. Where figures are involved, it is an invariable rule that a tabular format is both easier to understand and easier to present, and should be adopted for every such disclosure. That many companies adopted tabular disclosure is proof of this maxim.

Unfortunately, however, as there was a general free-for-all as to what should and should not be included in any voluntarily-provided table, we have completely inconsistent results from company to company. Therefore, any changes to the disclosure rules should mandate a specific table, with mandated column headings as in every other instance of compensation disclosure. It is difficult to see why severance should have been treated any differently from other forms of future compensation (such as pensions and deferred compensation). A survey of the very best examples of disclosure, including those that disclose the cost of excise and other tax gross-up payments as well as any retirement and other benefits that vest on termination, should be taken so that the SEC can adopt corporation-defined best practices and impose these on all corporations.

Yours sincerely,

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