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

Re: Comments Regarding Proxy Disclosure and Solicitation Enhancements -- Diversity Disclosure Under Section 407(c)(2)(v) of Regulation S-K (Release Nos. 33-9052; 34-60280; File No. S7-13-09)

Dear Ms. Murphy:

I am a securities lawyer familiar with corporate governance issues and a former partner at an AmLaw 100 firm familiar with the enormous benefits to the bottom line accruing to organizations that provide meaningful opportunities for qualified women to participate in firm management.

This letter responds to your request for comment regarding whether market participants believe that diversity in the boardroom is a significant issue. It is. Consequently, the SEC should amend Item 407(c)(2)(v) to require that each public company disclose:

- (1) the percentage of its board that consists of women,
- (2) either:
  - a. the company's written policy designed to ensure that (i) the pool of candidates considered for board positions includes qualified female candidates, and (ii) meaningful consideration is given to each qualified female candidate, or
  - b. if the company has no such policy, the reasons why the company has no such policy, and
- (3) if the company has such a policy, any failures by the company or the nominating committee to comply with such policy during the relevant reporting period.

Benefits to the securities markets and the companies participating in those markets are described below.

- A. Increase the pool of qualified candidates actively considered for board positions. Board candidates are often identified through recommendations by other board members and corporate executives, who consist disproportionately of men. In many cases, the closest contacts of such recommending persons are also likely to be men. A written policy could assist nominating committees by identifying resources (such as the NACD director registry) that will assist companies in identifying a broader pool of candidates.
- B. Increase board quality and compliance with securities and corporate governance laws, rules and regulations. In an increasingly complex world, boards must now include members having expertise in executive compensation and complex financial matters in order to be able to

exercise sound business judgment and in some instances to comply with specific statutory requirements. Women comprise a substantial percentage of lawyers, accountants, and other professionals in the financial and other industries having applicable expertise. Ensuring that meaningful consideration is given to additional qualified candidates will result in more competition for board positions with resulting increased board quality and increased compliance with the law.

- C. Reduce bias in the workplace and reduce exposure to related litigation. While often identified to employees as their first avenue for redress of grievances, human resource administrators are often ineffective at addressing situations involving workplace bias or discrimination. Such administrators often report to the very corporate executives who may be responsible for the environment leading to the grievance. The board may not hear of the grievance until the situation has become out of hand or even become the subject of litigation. Active female board members can serve as conduits for relevant information to the board, which, in its oversight role, is in a position to effect real change in the corporate environment. Aggrieved employees are more likely to contact a female board member, whose experiences are likely to provide her with a more nuanced understanding of the situation, than to contact a male board member.
- D. Increase retention of female employees, thereby reducing turnover costs. Employee turnover is expensive. It generally takes at least three to six months to incorporate a new employee and return to the levels of profitability achieved from a departing employee. Female employees will stay longer at companies where they believe they have realistic opportunities for advancement. Having women in meaningful management roles such as on its board is one means by which a company lets its female employees know that growth opportunities exist for them. In addition, active female board members can help companies identify situations in which bias may inadvertently be taking place. For example, female board members, based on their own experiences, are more likely to take notice and make inquiries if the company appears to be awarding promotions or higher compensation disproportionately to men or to be making downsizing decisions that disproportionately impact women. While we would like to believe that we do not all have some inherent biases, those who have been on the receiving end of specific biases are in fact more sensitive to the existence of those biases than those who have not.

Thank you for soliciting comments regarding this important disclosure issue.

Very truly yours,

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