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April 25, 2011

Chairman Mary L. Shapiro
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Subject: Comment on Section 952 of the Dodd-Frank Act

Dear Chairman Shapiro:

On September 20, 2010 Farient Advisors LLC responded to the SEC's request for public comment concerning the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). On November 5, 2010 we met with Commissioner Elisse Walter, Meredith Cross, Tom Kim, and Paula Dubberly at the SEC concerning Section 953 of Dodd-Frank. During that meeting we were invited to comment on other Dodd-Frank provisions. Today we write to comment on the proposed rules the SEC promulgated under Section 952 of Dodd-Frank.

Farient Advisors LLC is an independent executive compensation and performance advisory firm founded in 2007 that provides executive compensation advice largely to compensation committees of publicly traded companies. Each member of our senior team has decades of consulting experience in executive compensation.

Introduction

Proposed Rule 10C-1 (b)(4) requires certain exchanges to adopt listing standards that require listed securities issuers to consider certain independence factors in selecting advisors. The SEC has requested public comment on whether it should "adopt rule amendments to Regulation S-K to require listed issuers to describe the compensation committee's process for selecting compensation advisers pursuant to the new listing standards." They also ask "would information about the compensation committee's selection process – how it works, what it requires, who is involved, when it takes place, whether it is followed – provide transparency to the compensation adviser selection process and provide investors with information that may be useful to them as they consider the effectiveness of the selection process? Or, would such a requirement result in too much detail about this process in the context of disclosure regarding executive compensation?"



Comment

It is Farient's opinion that the SEC should require the regulated exchanges to require listed issuers to disclose how they consider independence in choosing a compensation consultant, outside counsel, and other advisors, and also to disclose whether they have determined that their compensation consultant is in fact providing independent compensation advice, and on what basis they have made this determination. We think this requirement will best serve investors and effectively implement the congressional intent of Section 952 of Dodd-Frank. There are a number of reasons for our view on this issue:

1. **Accountability** – Choosing an advisor is one of the most important activities that a compensation committee engages in. Disclosure will better ensure committee accountability in this regard. Conversely, without requiring disclosure there would be no check on whether a committee actually complied with the listing requirements
2. **Better transparency** – Requiring disclosure will allow the outside world to see how the compensation committee functions and how they think about the role of the compensation consultant
3. **Investors will find it useful** – Investors will be better served in knowing what steps the Directors are taking to ensure that they are receiving independent advice
4. **The disclosure is not overly burdensome** – Most issuers will be able to comply with the disclosure requirement in one paragraph of their CD&A. As long as the committee properly considers the independence of their compensation consultant, the disclosure itself will have a negligible effect on the disclosure requirements already in place

Conclusion

Farient appreciates the opportunity to comment during the rule making process. Our recommendations are intended to assist the SEC in determining how to enforce Section 952 of Dodd-Frank. Our opinions are based on our years of experience in conveying executive compensation and performance advisory services to boards of publicly-traded companies. Our recommendations strive to find the right balance between helpful and overly burdensome disclosure requirements. We hope that the SEC will consider our recommendations in their process of finalizing the rules. Please contact us if you have any questions regarding our comments.

Sincerely,

A handwritten signature in black ink that reads "Robin A. Ferracone".

Robin A. Ferracone
Executive Chair
Farient Advisors LLC