

COMMITTEE OF CONCERNED SHAREHOLDERS

10732 Farragut Drive
Culver City, CA 90230
<http://www.ConcernedShareholders.com>
Information@ConcernedShareholders.com

January 27, 2006

VIA EMAIL: Rule-Comments@SEC.gov

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

**Re: Executive Compensation and Related Party Disclosure
SEC File No. S7-03-06; Release Nos. 33-8655, 34-53185, IC-27218**

Dear Mr. Katz:

This letter comments upon proposed rule entitled, "Executive Compensation and Related Party Disclosure." The Committee of Concerned Shareholders ("Committee"), in principle, supports the proposed rule. However, even with more complete disclosure, the Securities and Exchange Commission ("SEC") has not provided Shareholders with an effective and low cost means by which to hold Directors accountable for paying egregious compensation and/or entering into unconscionable related party transactions. A stated objective of the proposal is to "facilitate more informed voting decisions." The substantial reality is that Shareholders may only vote upon Director-candidates that corporations place on their respective corporate ballots and corporations exercise absolute discretion in implementing Shareholder Proposals.

SEC Is Prepared to "Blame" Shareholders for Corporate Greed

"Ultimately, it will be up to shareholders to decide whether executives are worth their salt, SEC Commissioner Roel C. Campos said. 'It seems to me that shareholders will have no one to blame but themselves if executive pay continues to rocket upward in a way that they're not comfortable with,' he said." (Emphasis added.) (Los Angeles Times, 1/17/06, "SEC Seeks Clarity in Executive Pay")

One should *blame* the SEC, not Shareholders, for failing to provide Shareholders with an effective means to remedy excessive corporate compensation and related party problems.

Mr. Jonathan G. Katz
January 27, 2006
Page Two

Background of Committee

The Committee, formerly known as the Committee of Concerned Luby's Shareholders, consisting of shareholders of Luby's, Inc. ("Luby's"), who met on a Yahoo! Finance Message Board in 2000, is the first and only grass-roots shareholder group to conduct a formal proxy contest. Luby's, then headquartered in San Antonio, Texas, was then a near 230-unit cafeteria chain with annual sales of approximately \$500 million. Its shares are listed for trading on the New York Stock Exchange.

The Committee's efforts revealed the substantial difficulties that individual Shareholders would face in an attempt to hold Directors accountable. The Committee's Director-nominees received 24% of the votes cast. Two (2) of the Shareholder Proposals that it supported, i.e., removal of all anti-takeover defenses, annual election of all Directors, received approximately 60% of the votes cast. Neither was implemented. Another Shareholder Proposal dealt with limiting the Chief Executive Officer's compensation. It was not approved by a majority of the Shareholders. Even if that Shareholder Proposal was approved by a majority of the Shareholders, Luby's was not obligated to implement it.

On August 1, 2002, the Committee co-sponsored, with James McRitchie, Editor of CorpGov.Net, Petition for Rulemaking (SEC File No. 4-461), which sought access to the corporate proxy statement for Shareholder nominations of Director-candidates via elimination of SEC Rule 14a-8.

Conclusion

The SEC should revisit the entire issue of Director accountability and equal access to the corporate ballot. Unless and until Shareholders are provided with an effective and low cost method to hold Directors accountable, fuller disclosure will be useless in curing the scourge of greed that presently infects corporate America.

Please communicate with me in the event that further information is desired.

Very truly yours,

LES GREENBERG,
Chairman

LG:ms