

April 29, 2011

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549-1090

Re: File No. S7-13-11

Dear Ms. Murphy,

Pearl Meyer & Partners (PM&P) is pleased to submit comments to the Securities Exchange Commission on its proposed release containing guidance to implement Section 952 the provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") with respect to amended Compensation Committee and Advisor Independence, and related disclosure rules.

By way of background, Pearl Meyer & Partners is one of the nation's leading independent compensation consulting firms, serving Board Compensation Committees as advisors and assisting companies in the creation and implementation of innovative, performance-oriented compensation programs to attract, retain, motivate and appropriately reward executives, employees and Board Directors. We help Boards and Committees establish and maintain sound governance practices, particularly as this relates to executive and director pay decision-making. Since its founding in 1989, PM&P's compensation professionals have advised hundreds of organizations in virtually every industry, ranging from Fortune 500 companies to smaller private firms and not-for-profit organizations.

PM&P recognizes that the SEC has deferred to the exchanges to provide additional information as to implementation of Section 952, so we limit our comments to the proposed release only as it relates to its amended disclosure requirements for compensation consultants. As amended, existing compensation consultant disclosure has been expanded in that it would be triggered whenever a Committee retains or **obtains the advice** of a consultant, regardless of:

- Whether there is a formal engagement;
- The fees paid; or
- Whether the consultant actually played a role in determining or recommending the amount or form of executive and Director compensation.

We believe that taken to an extreme, this amended requirement is overbroad and could include situations where the consultant had very little interaction at all with a company. For example, as drafted, this could include situations where a company relies on a consultant's advice transmitted in any of the following formats:

- A consultant provided unsolicited materials such as survey reports, client alerts, white papers or other market data to a compensation committee or to management. (For example, PM&P works in conjunction with the National Association of Corporate Directors to produce the **NACD Director Compensation Survey** every year – a report that is highly circulated and can be purchased from



the NACD without any contact with PM&P);

- In response to a "Request For Proposal" (a typical situation where a company seeks out a new consultant by sending a handful of firms a questionnaire about its background, knowledge and qualifications, and which often times solicits the consultant's opinions of the company's current compensation program), a consultant provides commentary on a company's practices to date, but is then not retained by the company;
- A consultant meets a Director at a conference and informally comments on the company's practices, trends in the industry or other compensation-related matters.

Therefore, we request that the SEC further delineate the term "obtained the advice" of a compensation consultant and ensure that it is intended to encompass situations where the consultant did more than provide solicitation or informational materials to a company, or had more than a passing interaction with a Director. In addition, it should specifically exclude situations where neither the Committee nor management sought the advice from the consultant.

We appreciate the opportunity to comment and share our views. We note that PM&P is submitting this commentary on its own behalf, and not on behalf of any specific client. Please contact us at 212-407-9517 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "David N. Swinford".

David N. Swinford
President and CEO
Pearl Meyer & Partners
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