MERIDIAN
COMPENSATION PARTNERS, LLC

November 18, 2010

Via E-Mail (rule-comments@sec.gov)

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 205490-1090

Re: File No. S7-31-10

Dear Ms. Murphy:

Meridian Compensation Partners is pleased to provide these comments to the Securities and Exchange Commission ("Commission") on the Commission's proposed rules to implement Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Act") relating to shareholder approval of executive compensation and "golden parachute" arrangements.

Meridian Compensation Partners is one of the largest independent executive compensation consulting firms in North America. We provide trusted counsel to Boards and Management at hundreds of large public and private companies. We consult on executive compensation design issues, corporate governance matters and related disclosures. Our consultants have decades of experience in developing pay solutions that are responsive to shareholders, reflect good governance and align with company performance.

We are generally supportive of the Commission's proposed rules under Section 951 of the Act. In particular, we support the following aspects of the proposed rules:

- Proposed amendment to Item 402(b) of Regulation S-K requiring issuers to address in their CD&A whether and, if so, how their compensation policies and decisions have taken into account results of shareholder advisory votes on executive compensation.

- Proposed amendment to Rule 14a-4 under the Securities and Exchange Act ("Exchange Act") to permit an issuer to include in a single proxy ballot the following four choices: whether the shareholder vote on an issuer's executive compensation should occur every 1, 2, or 3 years, or abstain.

- Proposed amendments to Form 10-K and Form 10-Q to require disclosure of an issuer's decisions regarding how frequently it will conduct say on pay votes in light of the shareholder vote on frequency.

- Proposed amendment to Rule 14a-6(b)(a) providing that an issuer will not be required to file a preliminary proxy with the Commission solely due to the inclusion in the issuer's proxy resolutions with respect to say-on-pay and say-on-vote frequency.

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We have the following comments with respect to other aspects of the Commission's proposed rules under Section 951 of the Act.

Disclosure of Consideration of Results of Prior Say on Pay Votes

The proposed amendment to Item 402(b) of Regulation S-K requires issuers to address in their CD&A whether and, if so, how their compensation policies and decisions have taken into account **results** of shareholder advisory **votes** on executive compensation.

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We recommend that the proposed requirement for CD&A discussion of an issuer's consideration of previous shareholder advisory votes be revised to relate only to consideration of the most recent shareholder advisory vote. In our view, limiting this disclosure to relate only to consideration of the most recent shareholder advisory votes facilitates the objective of providing shareholders with an understanding of the issuers' compensation decisions. Though issuers may be influenced by shareholder views reflected in multiple shareholder votes, a description of how the most recent vote impacted compensation decisions will provide the most meaningful information to shareholders. Notably, this new disclosure requirement as to the effect of prior say on pay votes is not mandated by Section 951 of the Act, and similar disclosure is not required in proxy statements for any other shareholder votes. In light of these considerations, we believe that the SEC should narrow this new disclosure requirement to not unduly burden issuers.

Shareholder Proposals on Say-on-Pay and Frequency of Say on Pay

The Commission's proposed amendment to Rule 14a-8 under the Exchange Act would permit issuers to exclude shareholder proposals that propose a vote on the approval of executive compensation or on the frequency of such votes provided that the issuer has adopted a policy on the frequency of say on pay vote that is consistent with the plurality of votes cast in the most recent vote required under Rule 14a-21(b).

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Under proposed amendment to Rule 14a-8, issuers would be unable to exclude the above referenced shareholder proposals in cases where the issuer adopts a vote frequency policy that is more frequent than supported by a plurality of votes cast in the most recent vote required under Exchange Act Section 14A(a)(2) (e.g., plurality of votes support biennial say on pay while the issuer adopts annual say on pay). This anomalous result acts as a strong disincentive for issuers to adopt a voting policy that is arguably more favorable to shareholders than the one approved by the plurality of votes. To avoid this result, we recommend the Commission amend Rule 14a-8 to permit an issuer to exclude applicable shareholder proposals if the issuer adopts a policy on the frequency of say on pay that is consistent with or more frequent than the plurality of votes cast under Exchange Act Section 14A(a)(2).

Disclosure of Golden Parachute Arrangements

Section 951 of the Act amends the Exchange Act to add Section 14A(b)(2), which generally requires a separate shareholder advisory vote on golden parachute compensation arrangements be disclosed under Section 14A(b)(1) in connection with mergers and similar transactions. A separate shareholder advisory vote would ***not*** be required if the golden parachute compensation was previously included in an issuer's executive compensation disclosure that had been subject to a prior advisory vote of shareholders under

Section 14A(a)(1) of the Exchange Act. For an issuer to take advantage of the exception to the voting requirement, the Commission's proposed rules would require this prior disclosure be made in an issuer's annual meeting proxy statement in accordance with proposed Item 402(t) of Regulation S-K. This disclosure would also satisfy an issuer's disclosure obligations under Item 402(j) with respect to payments made in connection with a change in control. However, issuers would still be obligated to disclose in their annual meeting proxy statement potential payments that may be made to named executive officers upon termination of employment in accordance with Item 402(j).

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We believe the Commission's proposed rules will create substantial disparity among issuers' regarding disclosure of golden parachute arrangements in annual meeting proxy statements. Under the Commission's proposal, issuers may continue to disclose golden parachute arrangements in accordance with Item 402(j). Alternatively, issuers may choose to disclose golden parachute arrangements in accordance with Item 402(t) to meet the exception to the separate shareholder vote requirement on golden parachutes. These differing approaches to disclosure will undermine the comparability of annual meeting proxy statements.

A further complication arises when an issuer chooses to disclose in its annual meeting proxy statement golden parachute arrangements in accordance with Item 402(t). The proposed rules require that this disclosure relate solely to potential payments to executive officers upon the issuer's change in control. However, the issuer must show potential payments made upon an executive officer's termination of employment in accordance with Item 402(j). It would seem likely that this disparate approach to determining and disclosing different types of potential post employment payments would lead to investor confusion. In fact, the Commission considered amending Item 402(j) to include the broader disclosure required by Exchange Act Section 14A(b)(1) solely with respect to payments made upon a change in control of the issuer. In rejecting such an amendment, the Commission observed that such an approach "could result in a disclosure presentation that would be confusing to investors."

To avoid potential investor confusion and facilitate comparability of annual meeting proxy statements, we recommend that the Commission amend Item 402(j) to mandate the disclosure of all the elements of golden parachute compensation required by Section 14A(b)(1) for every termination scenario covered by Item 402(j). In contrast to the narrative disclosure currently permitted under Item 402(j), we believe a uniform tabular disclosure of golden parachute arrangements and other potential post employment payments would enhance the clarity of the disclosure; thereby, facilitating investor understanding. Contrary to the Commission's assertion, we do not believe this would impose significant new burdens on issuers. For the most part, the additional information that would be required to be disclosed under an amended Item 402(j) should be readily available to most issuers. We further recommend that the suggested revision to Item 402(j) become effective for shareholder meetings occurring on or after January 1, 2012.

New Arrangements and Amendments to Golden Parachute Arrangements

Under the Commission's proposed rules, issuers providing for a shareholder vote on new golden parachute compensation arrangements or revised terms of arrangements previously subject to a shareholder vote would be required to disclose two separate tables under proposed Item 402(t) in merger proxy statements. One table would disclose all golden parachute compensation, including arrangements and amounts previously disclosed and subject to a prior shareholder advisory vote under Section 14A(a)(1) and the new arrangements or revised terms. The second table would disclose only the new arrangements or revised terms that are subject to a separate shareholder vote under Section 14A(b)(2).

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We believe the requirement that issuers include two separate tables regarding golden parachute compensation arrangements in merger proxy statements will serve to confuse investors and will create a needless administrative burden on issuers. To avoid investor confusion, we recommend that in lieu of the second table the Commission require issuers to identify by narrative disclosure new golden parachute compensation or revised terms shown in the above referenced first table and to disclose that such identified compensation is subject to a separate shareholder vote.

We also recommend that the Commission consider including in its rules the following non-exclusive list of revisions to a golden parachute compensation arrangement that would **not** be subject to a separate shareholder vote under Section 14A(b)(2):

- Revisions that result in a non-material increase in the value of benefits provided under the arrangement;
- Revisions that result in a reduction in the value of benefits provided under the arrangement;
- Revisions that relate to administrative provisions of the arrangement; and
- Revisions that are required to comply with applicable statutory or regulatory requirements.

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We appreciate the opportunity the Commission has afforded the public to comment its proposed rules under Section 951 of the Act. We welcome the opportunity to discuss with the Commission and its staff our comments provided herein.

Best regards,

Meridian Compensation Partners, LLC

Donald G. Kalfen
Partner

Michael Powers
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