Message

Stacev Sutav

Letter of Comment No: 44 File Reference: 1101-SCU Date Received: 03|16\03

Subject: FW:

----Original Message-----

From: Carl Erickson [mailto:ericksonce@msn.com]
Sent: Sunday, March 16, 2003 9:47 AM

To: Robert Herz

Subject:

Let me offer a short comment on the expensing of options......based on a report by Gretchen Morgenson. Pulitzer Prize winning journalist of the NY Times, 98% of all options go to 2% of top management.....I spent over 15 years consulting with Fortune 500 managements and I can assure you they aren't worth it.....It is purely and simply robbery from shareholders......The argument that options are needed to recruit and retain qualified managers is laughable on its face.....to paraphrase Warren Buffet...if options aren't compensation what are they? If compensation isn't an expense what is it? If it doesn't go on the balance sheet where does it go?

The silly arguments that options can be valued is ludicrous on its face......in fact most options are awarded, not to small companies, but to major tech firms whose CEOs are living in the lap of luxury while pretending to manage their companies towards profitability......it is far past time to stop this silliness and move to expensing options....Joe Lieberman not withstanding.....thanks for your time....Carl Erickson at ericksonce@msn.com