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Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

File No. S7-03-06

Dear Ms. Morris,

As an investor and user of financial statements, I am pleased to comment on the Commission's proposed executives' compensation disclosures. I have only a few general suggestions.

• The summary compensation tables should be presented with figures that are consistent with the way they are included in the financial statements presented in accordance with generally accepted accounting principles.

• The stock compensation should also be presented in a separate summary table that includes the value of option and restricted stock grants during the year, again calculated on the same basis as in the GAAP-basis financial statements.

Symmetry counts: earnings of the listed executives would be in synchronization with the way they affected earnings, and this would be very meaningful to investors. It would be an absurdity if users of financial statements are asked to believe that the way compensation is reported in the financial statements is somehow less meaningful when it's reported the same way for a narrow range of executives, and that another basis is preferable. The accounting standards regarding options and pensions have been well-vetted, and are well-understood by investors for the most part. They do not need to try to bridge the financial statements to another presentation method in the proxy.

I would also suggest that the Commission's requirements regarding the most highly paid executives and non-executives is not necessarily the most complete information needed by investors for evaluating the stewardship of their assets. I also don't believe there is a magic number - the total compensation for the top 10 employees, or perhaps the top 100 employees - that gets the relevenat information to them.

Consider what the proxy does: it provides information about compensation plans that shareholders are being asked to approve. Those plans are often far-reaching within a company, and long-lasting; they can affect the entire mentality and culture of the firm, not just that of the top five officers. Yet shareholders never get to see the outcome, in explicit dollar terms, of what they approved in the past. Long-term incentive plans get revamped every few years, and so do short-term incentive plans and all the other ownership incentive plans - but shareholders are not informed of the cost of each plan for each year *after* they are approved. In any major corporate endeavor - an acquisition, an investment in capital equipment or perhaps an extensive marketing campaign - there's always a look back, a post-audit of the investment. It’s a process that lets the managers figure out what’s working with their decision process - or what isn’t working - and allows them to assess their return on investment. They see the costs and returns resulting from their decisions. It’s a service to shareholders when managers perform this kind of analysis.

Shareholders should be entitled to the same kind of information: they get asked to approve a plate full of compensation for all employees and managers, but it’s always asked in the context of just the top five executives, which is not likely to be the entire program. The outcome of the approval is far more extensive, but the shareholders do not see the costs associated with their decisions - and thus, they really don’t have much basis for comparing them to the returns they received.

I would suggest a table that shows the amount of compensation reported in the GAAP-based financial statements for each compensation plan that employees have voted upon which is in effect for each of the last three years, consistent with the financial statement presentation. I believe that this would be far more effective information for investors to act upon when it comes time to approve more layers of compensation plans than simply keeping the attention focused on a handful of executives and non-executives.

I believe this information would not be impossible for companies to prepare. Human resource departments know which employees are eligible for which compensation plans. (Or, they should know.) The information should be producible within a firm in the aggregate for each separate plan. If companies protest that the information cannot be collected, I think it would raise serious questions about the whether or not fiduciary duties to shareholders are being served.

Other points:

• The Hollywood complaints about disclosure of non-executive compensation being an invasion of privacy and a hindrance to morale ring false. If non-executive employees are such valuable assets to a company that their pay merits disclosure, then the owners of the firm - the shareholders - deserve to know who those valuable assets are and what it takes to retain them.

And if anyone’s morale is *lowered* by making that much money, they have other problems that money probably won’t fix.

• Keep the performance chart. It’s useful as it is, but it would be a handy supplement to the Compensation Discussion & Analysis.

• The CDA should also include information about the performance targets to give investors an idea of whether targets are really valid benchmarks of performance. Given the amounts of compensation that they’re routinely asked to approve, it’s only fair to know what kind of work they should expect to see in return for the resources they’re giving up.

That concludes my comments. If you have any questions, please don’t hesitate to contact me at (410)783-0672. Best regards.

Sincerely,

Jack Ciesielski
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