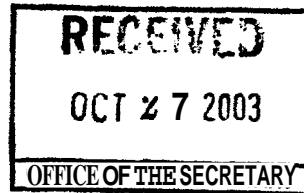


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October 20th, 2003  
Refer to File No. **S7- 14 - 03**

Jonathan G. Katz,  
Secretary, U.S. Securities and Exchange Commission,  
450 5th St. NW, Washington, D.C. 20549-0609

Dear Secretary Katz,

This letter is in response to your request for "ideas".

I'm a little guy in this huge country. Born an American citizen in New Jersey in 1930 to parents of meager means. With honesty, integrity, desire for culture, and committed to getting an education my scholastic scholarship afforded me, I went on to pursue the "American Dream". If follow up to my background is needed I'll be glad to supply boring details that includes combat time in the Korean War and a forty year career in Aerospace as a corporate photographer.

We now know the SEC let us all down. Busy making a living I was naive enough to believe, as announced, new SEC rules would make it impossible to ever have another 1932 style, market crash. Then, as now, workers are encouraged to save for retirement taking advantage of 401K plans, and / or IRA accounts. True, you had investment choices, so I always invested in big name quality companies and mutual funds. All my investments were supposedly researched by Fidelity Investments or Dean Witter Morgan Stanley. These firms took my money in the good faith that they were to work on my behalf. Needless to tell you, both these firms are under federal investigation for wrongdoing.

Let's get to the bottom line. When the fox is guarding the hen house we're all in trouble, and no one in his right mind should think the American Dream is working.

Analyze what happened!

A. Politicians pay thousands of dollars, if not millions, to get elected to offices that pay "peanuts". Why?

B. Corporate officers select Board of Directors, who are well connected, in exchange for business contracts. Directors are well paid for their rubber stamp approval of outlandish operating procedures and compensation packages.

C. Where does the money come from? As we found out the hard way, it's "cooking the books". I own stocks of companies that Arthur Anderson was auditing. Now we are told the P/E ratios were all a big lie.

Who's at fault? The corporate officers of course. This problem is self perpetuating. Officers contribute huge amounts to political champagnes. In exchange,

that politician will never slap the hand that feeds him. A weak spot is when an SEC official may fold to a politician's questionable wishes.

Enough said, I know you know the story better than I do. Everything comes down to ethics. Do we want American citizens to realize the "American Dream"? Maybe the government really desires "American Carrot on a Stick"; never reaching the "Dream".

The solution. Our government has all the experience and knowledge it needs to solve our problems. Let's give all the corporate officers and directors of publicly held companies a salary grade similar to the GS pay grade system. Yes, pay grades and job classifications and descriptions. Have this pay system developed and enforced by the SEC or other suitable government organization. No need to reinvent the wheel: federal, state and city jobs all have a pay scale and job descriptions. Likewise does the military. Why should public corporations be different. Well, private companies can be different. But when the public is offered ownership of a company, and public ownership financially enhances the well being of a company, officers should comply with the new pay grades. Good people will seek out the benefits of a prosperous organization. Crooks, there is no other description, will seek their fortunes elsewhere since they have an insatiable appetite for money. Public companies should not be their source.

The little guy. Equities seem to be the source route to the "American Dream". The little guy also is encouraged to save for retirement. He may be poor but he "ain't" dumb. Tell the guys who set the low, low interest rates for insured saving accounts to stop stealing from these citizens. How many pairs of pants can the bankers wear at one time anyhow?

I know I'm not telling you anything new. I think my feelings reflect what other Americans are feeling.

Try this for new... Distributing corporate profits. You don't need an accountant for this. You will need a housewife raising three kids and keeping a small house. Making a home for her husband and making a contribution to their neighborhood in general. In all, all it takes is common sense. Check her books! First she subtracts expenses from their earnings. The excess, is profit. The profit is split in three parts. Part 1: Rainy day money. Part 2: Savings for retirement. Part 3: Money to put back in the economy.

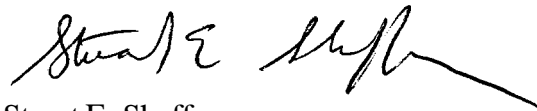
Note: you don't see money set aside for cheating her husband and the kids. You don't see money squealed away for personal gain. Simple, the family does well, slowly but surely.

OK ..ALREADY, How do you split the corporate profit. Part 1. Research and development. Part 2: Cash on hand for law suits. Part 3: Distribute all this amount to your shareholders.

Note: Salaries as budgeted, all came out of EXPENSES. Not "Profits".

Note 2: R.E.I.T.'s are required to distribute a good chunk of their profit. If they can do it, so can public corporations.

Fheeeerrrwwww, I thank you for your time.  
A concerned citizen, respectfully submitted,



Stuart E. Shaffer