



Alan S. Donahoe
Vice Chairman and
Chief Executive Officer

23 April 1982

Mr. John S. R. Shad
Chairman
Securities Exchange Commission
1100 L Street, NW
Washington, D. C. 20549

Dear Mr. Chairman:

May I suggest to you that the exercise of stock options that have been outstanding for a long time, say ten years or more, should be exempt from the short-term trading provisions of Section 14(b).

Where options have been approved by stockholders and fully disclosed in annual proxy statements for so long a period, their exercise can hardly be viewed as a short-term trading.

Trading on the basis of inside information is a clear violation of other provisions of federal securities laws and those who exercise a long-standing stock option would in no way be exempt from these provisions.

The current procedure is patently unfair by subjecting a long-term holder of stock options to the capricious behavior of the stock market as a whole, during the six-month holding period, at the risk of severe personal loss.

This has nothing to do with the performance of his company and his own performance as an executive, and in no way serves the best interests of either the company or its stockholders.

I do hope that you will give this careful consideration, and thank you accordingly.

Sincerely,