

## The View From Where I Work

Deleted: An Open Letter to Judge Richard Posner –

Recently I was frustrated to see so negative an opinion about ESOPs from such an influential source as Judge Richard Posner. My frustration stems from many aspects of his response. First, I believe his opinion to be based on a skewed vision of employee ownership, those ESOPs that have failed or been litigated due to poor behavior from corporate officers. Let's face it, the bulk of recent court cases involving ESOPs occurred because of the criminal behavior of corporate officers. In short, a bunch of crooks sought to steal the lion's share of these corporation's profits, and the employees and stockholders, which in an ESOP are one and the same, were the primary victims.

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I am also frustrated because I see this as yet another case of judges trying to legislate from the bench. I have always felt strongly that elected officials should write our laws, and the judiciary should only determine the constitutionality of those laws and apply them fairly. This judge essentially weighs in on several different aspects of tax and labor law best left to our legislative branch.

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The fact that this case involves UAL tells many things. I feel it negatively colors Judge Posner's view of ESOPs in a way that ignores the simple fact that most ESOPs are small, privately held companies, not huge, publicly traded enterprises. The operation of these two types of businesses is markedly different. Judge Posner's lack of knowledge and experience in this area is apparent, as he discounts the social and economic benefits to be gained from successful, local businesses, as well as how market economics affect small companies much differently than large ones. In a world where the failure of small businesses is a great concern, and likewise knowing that these same small companies employ a huge percentage of working Americans, what really is wrong with providing tax breaks? Is it better to allow these companies to fail? Not hardly.

But as said many times before, the proof is in the pudding. I speak from the perspective of someone that began as an entry level technician at ComSonics, a small electronics firm in a relatively small Virginia town. This was in 1983 and my rough guess is that ComSonics employed about 100 people at that time. Over the ensuing 23 years I have been able to grow with the company, moving into supervision, and then management, while at the same time ComSonics has more than doubled its workforce, expanded into three other states, and greatly increased its product line and services provided. During that time our stock price has increased over 2,000 percent!

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How do we do that? Certainly not by "cooking the books." No, we do that through hard work, and, yes, through teamwork. I know that's an old cliché, but it's the truth. Our founder Warren Braun sought to create a business where people worked together to achieve success. We have argued many hours over how to build a product, or deliver a service to a customer, but with the intent of getting it done as quickly and profitably as possible, and the results speak for themselves.

Our ESOP has created a tremendous amount of retirement wealth for a lot of people that probably wouldn't have that without the ESOP. My own account has grown comfortably

into the six figures – not bad for a guy who started as an entry-level technician. Our extraordinary efforts are a result of the belief that we really are working for ourselves, and also for each other, and that we're not just putting money into the big man's pocket, we're putting it into our own as well. In small companies this type of culture really can exist. It does here, and I know it does in many, many other ESOP companies that I have visited, or whose employees I've had the great privilege of meeting.

This culture creates a very real sense of pride in the things we design, manufacture, and sell, and the repair services we provide. When our customers and suppliers contact us, they really are talking to the owner.

I invite Judge Posner and anyone else subscribing to his views to come visit us. We will show you a place where people are proud to work. We will show you a place where our ESOP Employee Advisory Committee helps make it fun to come to work, where people aren't watching the clock every day for 5:00 PM to come around. We will show you a place where visitors ask, "Why do these people act like they own the place?"

It's because we do!!

*Keith Robertson is currently the Information Systems Manager at ComSonics, Inc. He has served on ComSonics' ESOP Employee Advisory Committee for seven different terms, four of those consecutively as its Chairman, whereby he was accorded a seat on the company's board of directors. He is currently the President of the Mid-Atlantic Chapter of The ESOP Association (TEA), has served as a guest lecturer at Eastern Mennonite University, and as guest speaker at various ESOP corporations and the Ohio Employee Ownership Center. Keith is firmly committed to the message that improved job satisfaction and productivity can be achieved through a combination of employee ownership, participative management, and effective communication. He was honored by both TEA and the MAC Chapter as their Employee Owner of the Year in 2001, and as the Outstanding Member of the Board of Governors for TEA in 2006.*