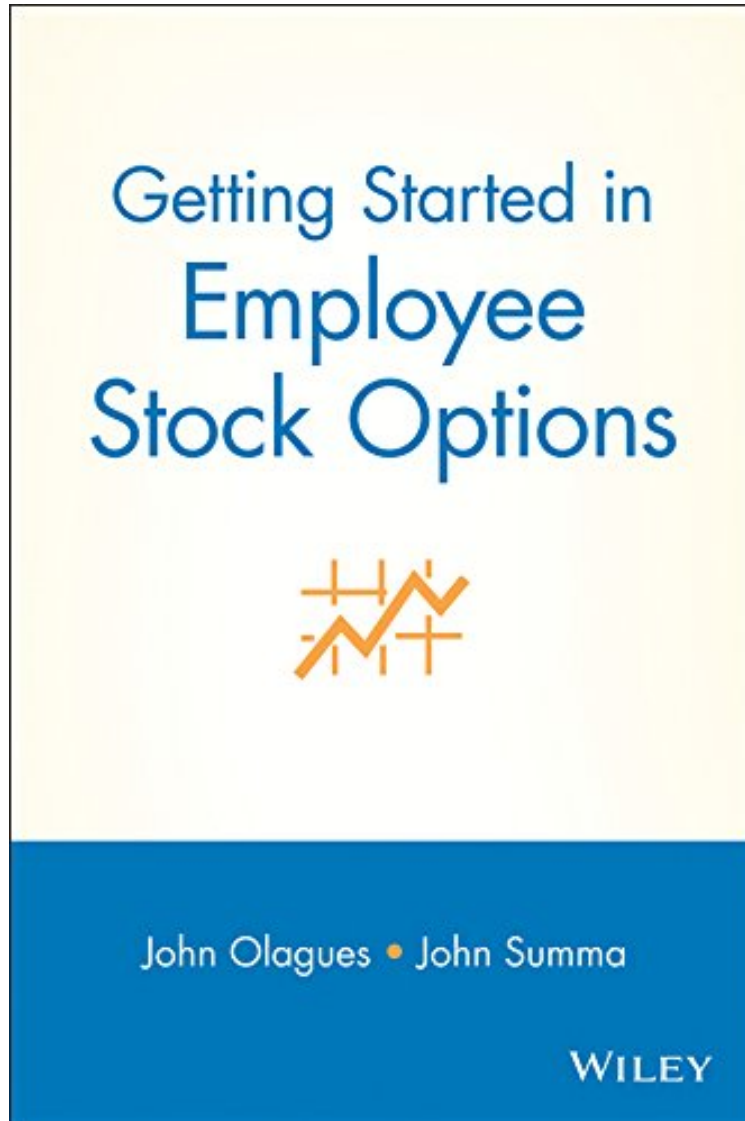


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Getting Started In Employee Stock Options (Getting Started In.....)

John Olagues, John F. Summa

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John Olagues, John F. Summa : Getting Started In Employee Stock Options (Getting Started In.....) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Getting Started In Employee Stock Options (Getting Started In.....):

2 of 2 people found the following review helpful. Core resource for hedging employee stock options By Bruce B. The SEC in June 2009 approved a change in the CBOE and ISE rules to let vested employee stock options be considered usable collateral for selling listed call options on the underlying stock, as long as its approved by the company, and other steps must be followed. In Getting Started In Employee Stock Options, the authors John Olagues and John Summa go far beyond the basics indicated by the title and detail a call-options strategy that can help employees avoid

prematurely exercising options and losing some of their value. While there are other resources that covers some of these topics, such as the articles in the Financial Planning: High Net Worth section on [...], anyone serious about this strategy for employee stock options will want to have this resource handy. According to the authors (an experienced options market maker and a professional trader), the primary objective of their book is what they call "efficient management of ESOs" to allow individuals to maximize the "capture of time premium and intrinsic value of ESOs while minimizing the risk and tax liabilities." Although they understand the occasional need to exercise and sell to generate liquidity, their strategy, which is not covered in detail in other books, is to hedge employee stock options to increase the net gains. While the topic of hedging and selling call options remains controversial at many companies, this book explains how it can rejuvenate the perceived value of stock options and provide a better alternative to the transferable options programs set up by a few companies, such as Google. The book's chapters give a detailed step-by-step approach to the strategy and a justification for it. For example, in one chapter it recommends "the 7 percent solution." This says that employees, soon after getting grants, should sell listed call options (known as "writing") equal to 7% of the number of employee stock options granted. The employees should also sell additional listed call options equal to between 7% and 10% of the stock held, if they already own a chunk of company stock. The chapter then covers the steps to follow, for the remaining years of the employee stock option term. While this is a highly technical topic, the information (along with some other ideas for companies to consider in their plans) is attractively presented, with side boxes for key definitions and tips, and examples to highlight key points. Bruce Brumberg Editor [...] 1 of 2 people found the following review helpful. The ONE to buy! By Duncan Contains strategies and astute viewpoints designed to help you get a monetary edge from owning those Employee Stock Options. Useful facts and perspectives and something for everyone whether you are an expert or a novice. You will glean a new outlook and perhaps a revelatory point of view on what can be done in the world of stock options.

An A to Z guide for understanding employee stock options (ESOs). In *Getting Started In Employee Stock Options* authors John Olagues and John Summa provide a full understanding of ESOs and demonstrate how to make the most of them. Page by page this author team, a highly experienced options market maker and a professional trader, share essential information that you're probably not hearing anywhere else. This book contains the keys to managing and hedging ESO opportunities in addition to important tax and valuation guidance appropriate for the highest executives to the non-officer managers and the newly arrived employee. Examines essential ESO issues, including tax consequences, risks, and industry pitfalls

From the Back Cover Praise for *Getting Started In Employee Stock Options* "Anyone who has been or is about to be granted stock options will find this book extremely valuable." —Blair Hull, Founder of the Hull Group, and current Chairman and CEO of Matlock Capital, LLC "John Olagues and John Summa have made an important contribution for guiding employees and service providers in managing their employee stock options, written from the perspective of the options trader. The basics of defining the various elements of risk and approaches to managing employee stock options are clearly explained here for the beginner. This book provides practical strategies to be implemented with the guidance of skilled tax, legal, and investment advisors." —Michael Gray, CPA, author of *Secrets of Tax Planning for Employee Stock Options*, 2009 Edition "This book provides a much-needed introduction to practical hedging strategies for employee stock options. Filled with concrete examples and detailed explanations, it reveals the importance of optimal hedging and exercise timing in ESO management." —Tim S. T. Leung, Assistant Professor, Applied Mathematics and Statistics, Johns Hopkins University "This is the most comprehensive text I've seen on employee stock option strategies. If you want to understand the alternatives for your options, this is a must-read." —Chris Murphy, ESO Expert, Credit Suisse "I can't believe this book has not been written before. Employees and executives have been letting wealth evaporate for years because they did not realize the value of their stock options. Here, the authors educate the employee on the value of their option holdings and give a sound strategy for maximizing profits." —Tom MCGourn, CFA, Derivatives Valuation Consultant, Montgomery Investment Technology, Inc. About the Author John Olagues is owner of Truth in Options (www.optionsforemployees.com). Formerly a member of the Pacific Stock and Options Exchange and the Chicago Board Options Exchange, Olagues cofounded Options Research, the first analytical service to provide theoretical options values to market makers and the general public. For years he was considered one of the leading options market makers in the world, having created many of the trading and hedging strategies used today. John Summa, PhD, is an author, economist, and founder of OptionsNerd.com. In 2001, Summa coauthored the Wiley title, *Options on Futures: New Trading Strategies*. A former fund manager, he recently launched the ESO educational Web site, HedgeMyOptions.com.