



INVESTOR ALERT

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Burn, Baby Burn!

The annual burn rate is the number of shares used for employee and executive equity programs. If this number is high compared to other organizations, the company might have lost its bearings.

High annual burn rates occur when:

- Too many shares go to executives
- Too many shares go to employees

If either or both of these are the case, it will be the investor who really gets scorched.

Remember the old adage “if you can’t stand the heat stay out of the kitchen”. If you sense a company’s burn rate is high, get yourself and your money away from that stove.