

Letter of Comment No: 6409
File Reference: 1102-100

June 23, 2004

Director
FASB Board
401 Merritt 7
Norwalk, CT 06856

Dear Mr. Director,

I'm writing today to request that you reject the expensing of Stock Options as a FASB policy.

75% of my colleagues at Silicon Valley Bank participate in either our employee stock option program or our Employee Stock Purchase Plan (ESPP). It's no wonder why we often refer to ourselves not merely as employees, but as the "employee-owners" of Silicon Valley Bank

Like many innovative companies in Silicon Valley and across the country, SVB has long embraced the ideal of employee ownership - via options or an ESPP - as a way for individuals to benefit directly from their contributions to the company's success.

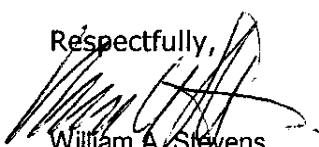
In response to the March 31, 2004 Financial Accounting Standards Board's Exposure Draft, the Share-Based Payment and Amendment of FASB Statements No. 123 and 95, I respectfully request the FASB to reconsider its position.

Employee stock options and Employee Stock Purchase Plans make me feel like I have a stake in the success of Silicon Valley Bank, and they motivate me to work harder. I believe that if SVB is forced to expense all employee stock options and ESPPs, my company might no longer offer such programs to the majority of employees. This would negatively impact morale, productivity, and innovation.

In addition, expensing stock options and ESPPs is bad accounting. The potential dilution of each investor's share of company ownership is the real cost of employee stock options. It's a cost that is already reflected in "diluted earnings per share" estimates in company financial statements. In fact, there is no accurate, reliable, and consistent way to value employee stock options. Many leading economists believe that investors will not be well served by the misleading "guesstimates" produced by current option valuation formulas.

In closing, I'd like to once again urge the FASB to reconsider its position on this important issue. Broad-based stock option plans and ESPPs enhance productivity, increase shareholder value and benefit employees. Broad-based plans should be encouraged, not eliminated.

Respectfully,



William A. Stevens
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