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From: Carmel Fritz [cfritz@sierrahealth.com]
Sent: Monday, June 14, 2004 1:22 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

Letter of Comment No: 4107
File Reference: 1102-100

Carmel Fritz
1504 Pine Leaf Dr.
Las Vegas, NV 89144

June 14, 2004

Ms. Suzanne Bielstein
Financial Accounting Standards Board
401 Merrit 7
Norwalk, CT 06856-5116

Dear Ms. Bielstein:

Re: Share-Based Payment Exposure Draft

I work for a company that allows employees to purchase my employer's stock at a discount through an Employee Stock Purchase Plan (ESPP). I understand that the Financial Accounting Standards Board (FASB) has proposed a change to accounting standards that would require my company to count this discount as an expense against its earnings (Share-Based Payment exposure draft). I respectfully request that you reconsider this proposal and not require expensing of the discount allowed in ESPPs.

I am concerned that required expensing of the discount in the ESPP may make this valuable benefit plan less attractive to my employer, potentially causing my employer to either discontinue the plan, or reduce or eliminate the current discount. If the discount is greatly reduced or eliminated, buying company stock through the ESPP would no longer be much of a benefit. Unlike benefits aimed only at high-paid executives, this is a valuable benefit for employees across the company.

The ESPP is a very important benefit to me. Being able to participate in an ESPP has enabled me to invest in my financial future and experience a sense of ownership in my company. This benefit helped attract me to and serves as an incentive for me to remain with my employer. I could even say I continuously strive to perform to the best of my ability because I am an owner of the company.

I am an employee of SIERRA HEALTH SERVICES, INC. as the Director of Human Resources and wish to respectfully submit that changing these rules will cause a very negative result for employees who have been able to benefit from this extremely generous program that my employer has put in place. It has allowed us to benefit financially in ways that we would otherwise not be able to send out kids to college, buy homes, cars, or care for our older parents. This plan has provided me opportunities for my financial future that I would not have been afforded to me. My employer will discontinue this program if these changes are made. These changes would greatly affect the morale of the employees. I am an owner of the company and this is the same way that I can both be involved and have some additional financial security because of this plan. Do not change the rules for expensing the costs of this program at the expense of many employees who are currently benefiting and will in the future benefit from a program of this type.

Millions of workers like me in companies across the country are able to

purchase their employer's stock through ESPPs. This builds company loyalty and helps to promote high standards of work when employees have a sense of ownership.

I strongly urge FASB to consider the negative impact the proposed rule would have on the nearly 16 million workers like me and eliminate the expensing requirement for ESPP discounts in the final rule.

CC:

SEC, Chairman, William Donaldson

SEC, Chief Accountant, Donald Nicolaisen

Employee Ownership Coalition (eoc@vennstrategies.com)

Sincerely,

Carmel Fritz