

ikon

From: Melisa Spicer [mspicer@sierrahealth.com]
Sent: Wednesday, June 09, 2004 6:23 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

Letter of Comment No: 3541
File Reference: 1102-100

Melisa Spicer
1650 Cloister Ave
Henderson, Nevada 89014

June 9, 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.

The ESPP offered by Sierra Health Services is a wonderful way for my fiancée and I to save for our upcoming wedding and home purchase. Without this wonderful benefit, we would never be able to afford even the fairly small wedding we have planned or the home we are looking to purchase in the extremely overinflated Las Vegas housing market. This benefit was a major deciding factor in finalizing my recruitment from a fairly benefit rich county establishment. Companies such as Sierra Health can only offer the basic vacation/sick leave packages as well as healthcare benefits; therefore making the ESPP a much needed and DESERVED benefit for their dedicated employees. This little bonus we receive every 6 months is NEEDED by almost all of the employees and we have come to count on even a small return as part of our living budget. Fortunately, because of the employees hard-work and wonderful performance, Sierras stock has rewarded us very graciously over the past year. Please do not take this wonderful benefit that has been EARNED as a result of employees hard-work for their respective companies. Being an owner in Sierra Health empowers me to have a voice in the daily operations of my department and makes me proud to be

an employee of this company.

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,

Melisa Spicer