

ikon

Letter of Comment No: 3292
File Reference: 1102-100

From: Israel Dubin [iISRAEL.DUBIN@RADISYS.COM]
Sent: Monday, June 07, 2004 8:37 AM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

Israel Dubin
18671 Sea Turtle Ln
Boca Raton, fl 33498

June 7, 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 believe this to be one of the more short sighted legislative proposals in recent memory. It serves primarily a selfish political agenda allowing elected officials to appear that they are doing something about overly compensated high executives when in fact the primary impact will be to the rank and file employee for whom this is one of the few and best ways for them to share substantially in the success of their employers.

The proposed legislation will only force companies to look elsewhere for executive class compensation that will likely not be available to most employees. within a year of enactment the only impact will be to the detriment of those it misleadingly claims to protect while serving to make a company's stock even less attractive to the small investor. The net impact to my own employer had this legislation been in effect last year would have been to completely wipe out all profitability on the balance sheet and likely along with it all of the gains that 80% or more of my fellow employees made investing in our company stock over the past 12 months through its ESPP plan.

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,

Israel Dubin