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**From:** Jerilyn Hudgens [jeri@sierrahealth.com]  
**Sent:** Wednesday, June 09, 2004 6:53 PM  
**To:** Director - FASB  
**Subject:** Share-Based Payment Exposure Draft

**Letter of Comment No: 3527**  
**File Reference: 1102-100**

Jerilyn Hudgens  
P.O. Box 15645  
Las Vegas, NV 89114

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.

I am an Operations Manager in a department of my employer, Sierra Health Services, Health Plan of Nevada located in Las Vegas, Nevada. I have been employed by this company for over 17 years and having the option to participate in an excellent ESPP through my employer has been a significant benefit to me. Professionally, it has provided a means for me to demonstrate loyalty and trust in my employer by "buying into" the company's efforts. I also believe it has been a significant part of my company's abilities, through good employer benefits, to attract quality employees who further the success of the company. Additionally, I have benefited personally because I have been offered an easy way to invest in my family's future by providing a way to plan for our needs, such as our son's college education. We have also used the ESPP as a financial investment strategy for retirement. Yes, I could have purchased my company's stock through a stock broker, but I doubt that I would have done so. Like most people, I was a younger employee who was unsure about purchasing any stock when I started working for SHS. A payroll deduction for stock purchase was a comfortable way to initiate me to investing. I

have learned a great deal about investing for the future and long term financial planning through the years of being a part of an ESPP. I have, as well, been able to acquire additional income for special family needs by having the financial benefits of an ESPP. It would be a great personal and professional dissatisfaction if the specific ESPP option that I have through my employer was no longer available to me. Please seriously consider the average, middle class employees and what this type of plan can do for us, our families and our future.

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,

Jerilyn Hudgens