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**Letter of Comment No: 3646**  
**File Reference: 1102-100**

**From:** Gary Hethcoat [Gary.Hethcoat@Sun.COM]  
**Sent:** Thursday, June 03, 2004 9:49 AM  
**To:** Director - FASB  
**Subject:** Comments on File Reference No. 1102-100 (Employee Stock Options)

I'm writing concerning File Reference No. 1102-100, the proposal to require expensing of employee stock options. I am a non-executive high-tech worker. I have held stock options in my company (Sun Microsystems, Inc.) for many years. For me, these options provide a stake in the company and give me incentive to do a good job and help the company grow.

Collectively, stock options help our company attract and retain top talent. This makes us more competitive, since top talent means top quality products. Having that top talent incented to make the company successful means that this is a big win for companies such as ours.

As I understand it, the "cost" of stock options are mainly to other shareholders, through dilution. They don't cost the company anything, except for the cost of administering the program. This cost is already disclosed to shareholders.

Gary Hethcoat  
Sun Microsystems, Inc.