Stacey Sutay

Importance: High

Letter of Comment No:২৩৭৭ File Reference: 1102-100

JANET BUDD 864 Mango Ave. Sunnyvale, CA 94087

5/13/2004

Dear Representative Anna Eshoo:

I work for a company that grants stock options broadly to employees . . . not just to executives.

The Financial Accounting Standards Board (FASB) is in the process of proposing a change to accounting standards that is misguided and clearly damaging to the United States economy.

As an employee who receives stock options from my company, I am writing to support the Broad-Based Stock Option Plan Transparency Act (S. 979 and HR 1372) and the Stock Option Accounting Reform Act (S. 1890 and HR 3574). I am asking you to add your name as a cosponsor of these important bi-partisan bills, and to encourage your colleagues to do the same.

These bills seek to delay the implementation of mandatory stock option expensing for broad-based employee stock plans, as proposed by FASB. This additional time will allow Congress, the SEC, and FASB to better understand if there are indeed benefits from this significant change and the true extent of the economic impact that this new policy will have on companies like ours and employees like me.

I appreciate the fact that my company offers stock options to employees like me who are NOT senior executives. Stock options are important to me and my family and are a significant benefit that gives me ownership in my company. They provide a great incentive to all employees at my level by giving us an important stake in the company. The economic contribution that high-tech companies have created flow in large measure from the role that stock options have played in establishing an entrepreneurial risk-taking culture that drives innovation.

AeA, our high-tech trade association, has concluded that if companies are forced to expense options, then current stock option plans will be severely reduced or completely eliminated for employees like me. If Congress doesnt act, it is possible that my company will have to end the practice of giving stock options to its employees. Please don't let that happen.

In addition to harming stock option plans, the proposed changes would harm Employee Stock Purchase Plans (ESPPs) that allow eligible employees to purchase company stock at a discounted rate. Generally, companies offer employees a 15% discount on company stock under these plans, but the proposed changes would force companies to expense stock discounted at this rate. This would force companies like mine to curtail or end this type of program.

Please don't let the accountants at FASB hurt employees who today receive options through a benefit from broad-based stock option plans. These changes not only adversely impact people like me, but will also reduce our states growth and economic vitality.

Silicon valley has always offered stock options, to have the employee feel as if they are a contributor and to reep the rewards when your company does well is a great benefit.

Alot of people here without stock options would not be able to afford a home for their family, and if these

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options are taken away, life will become harder.

As it is today with so many people out of work, they are cashing in the stock options they have in order to survive, its like having money put away for emergency and it helps a great deal when people in our valley lose jobs

Right now your grocery prices and gas prices are out of control and the extra money helps out.

Please reconsider, and grant that stock options be given as part of our compensation.

Sincerely,

JANET BUDD 864 Mango Ave. Sunnyvale, CA 94087