

**ikon**

---

**Letter of Comment No: 2326**  
**File Reference: 1102-100**

**From:** jim.daniel@si-intl.com  
**Sent:** Wednesday, May 12, 2004 9:11 AM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100, Comment on FASB Stock Option Proposal



InterScan\_SafeSta  
mp.txt (296 B...

Dear Mr. Robert Herz:

I am writing in reference to FASB's invitation to comment on its exposure draft, "Share-Based Payment," an amendment of Statements No. 123 and 95.

Stock option grants are another form of compensation used by employers to positively incentivize employee performance. At smaller companies such as SI International, stock option grants can be an important element in employee compensation.

If the draft amendment is passed, many companies, likely including SI International where I work, will be forced to dramatically reduce, or possibly eliminate, their stock option programs.

I urge you to consider the potential effects of that result to lower and middle income individuals. At many companies, employees participate generally in stock option programs. At SI International, for example, all employees are eligible to receive stock option awards based upon longevity of employment, including an initial grant upon reaching 90 days of employment and subsequent grants based upon attaining service milestones at 3, 7, and 10 years of service, and every 5 years thereafter. In other words, every employee participates and can enjoy the rewards of positive stock performance.

This has the potential to be an important element of compensation, particularly at smaller companies such as ours. It also rewards those contributing to the company's success, as reflected by positive stock performance.

As the requirement to expense stock options will dramatically reduce the number of stock option grants, most likely to lower and middle income employees, I urge you also to consider the economic effects of that result to the American workforce, particularly as it has braved the economic hardships of the last few years.

Sincerely,

James Daniel  
21110 Raintree Court  
Ashburn, VA 20147