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From: Sent: Vera Baker [jmbaker@chesapeake.net] Thursday, June 10, 2004 8:30 AM Letter of Comment No: 3964 File Reference: 1102-100

To: Director - FASB

Subject:

Share-Based Payment Exposure Draft

Vera Baker 8164 Deer Chase Lane Chesapeake Beach, MD 20732

June 10, 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.

Employee Stock Purchase Plan is one of the best retirement planning tools for employees working in a service sector for little more than minimum wage. My daughter works for Starbucks and expects to work her way up into management. Stock Purchase Plans make this career pathway legitimate for people who have no wish for higher education and who will work their entire lives doing those jobs which keep this country moving. Taking away the incentives decreases the attractiveness of this option for retirement planning. My aunt worked 50 years for Hallmark in mostly administrative assistant jobs (also no higher education) and has a stable retirement not because of Social Security, but because of employee stock purchase plans. President Bush talks of putting Social Security investment planning in the hands of the people. People who invest in ESPP are already doing this at much less administrative headache to the government than revamping Social Security. Sometimes government will cut off their nose to spite their faces...this is just such an instance.

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,

Vera E. Baker, RN, Sierra Military Health Services