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Letter of Comment No: 3327
File Reference: 1102-100

From: C Hall [christine.hall1@us.army.mil]
Sent: Wednesday, June 09, 2004 6:06 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

C Hall
4441 Summer Glen Lane
North Las Vegas, NV 89031

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.

The ESPP plan through my company serves as an important benefit to all. It allows employees of all salary ranges to participate and has provided some opportunities to obtain a good size return which has helped many enormously whether it be to pay off bills, make a down payment on a car or house or simply just a financial investment for the future. I used my ESPP earnings last year to help pay for the extremely expensive cost of cell phone bills in communicating with my husband while he was deployed overseas. The extra money allowed me not to worry about the costs and allowed us to talk for as long as we wanted which had a hugely positive effect for the both of us. I don't believe we would have made it through the 14 month deployment as well as we did had it not been for the ability to talk on the cell phone without worrying about the cost.

Please do not enact the suggested changes to the company ESPP programs. The benefits to all in the work force - both owners and employees - are just too high to lose.

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,

C. Hall