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From: Annette Suarez [asuarez@nuvasive.com]
Sent: Tuesday, June 29, 2004 3:21 PM
To: Director - FASB
Subject: FASB- Expensing options

Letter of Comment No: 5680
File Reference: 1102-100

To: Director of FASB

Ref: File No.1102-100

Dear Sir or Madam,

I am writing today to express my concern about the long term effects that the current proposal to change accounting rules will have on companies in general, and on smaller companies in particular.

Equity based compensation has always been among the most effective driving forces for company growth and improvement. It gives all individuals involved a clear sense of how their efforts benefit them directly. As the company improves, so does the equity. Especially in newer, smaller companies, shareowners aren't working for what the stock options are worth at the time of hire, they're working for what they hope their hard work will help it to become. For this reason I believe that stock options aren't an expense that can be accurately valued at the time they're first granted.

By putting the proposed changes into effect only the largest companies will have the mean to expense options fully at the time of grant. Smaller companies won't be able to compete or to recruit from the group of the best and the brightest because those people will have been bought by the companies who can still afford to offer them the most attractive package. Moreover, those of us lower down the corporate ladder will be granted far fewer stock options, if any, once again keeping company equity in the form of stock options concentrated with those already benefitting the most.

My company truly is mine. I am not an employee. I became a shareowner the day I came in the door. If our ability to give that same sense of company equity to new hires is hobbled for fear of missing our projected earning numbers, we won't be able to retain our current talent, let alone recruit new people.

I strongly urge you to reconsider the long term negative effects this proposal will have on any company hoping to compete effectively in the marketplace.

Sincerely,

Annette Suarez
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