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From: Eric Jensen [eric_jensen42@yahoo.com]
Sent: Wednesday, June 30, 2004 12:48 PM
To: Director - FASB
Cc: Stacey Sutay
Subject: Expensing stock options: Reference Number 1102-100

Letter of Comment No: 5695
File Reference: 1102-100

To whom it may concern,

I am voicing my opposition to the change in rules to stock options that would require expensing them.

I am highly motivated by the options I am awarded, and work quite hard to improve the company, to realize gain on those options. However, the variances in the stock market have over time caused many of my stock options to go "under water" and never have any realized value. To ask my employer to count those options as an expense is absurd. And even when the options do come out worthwhile, it's impossible for my employer to predict their eventual value.

Since the events at Enron and Worldcom, there is a focus on companies accurately reporting their financials. I believe that any rule to assign expense values would compromise the validity of corporate financial reports. How can the numbers be accurate, when nobody knows when the options will be exercised, or what value the employee will get when they are?

As a middle-class American, I see the availability of stock options and Employee Stock Purchase Plans as providing to the common employee some of the benefits that are normally reserved for high level executives. If the focus of this proposition is to take that opportunity away from the middle income tier, I say shame on you. If the rule is championed by people who want to bring everyone down to a lowest common denominator, and I say shame on them. I do not work for the only company that provides such options. Many companies do, and many more could, but if they are required to expense the options, only the highest level executives will continue to be compensated in that manner.

In this age when jobs are outsourced to India to save costs, it is foolhardy to legislate additional expenses on a company's books. The easily predictable reaction will be the ending of those benefits, in the name of "cost reduction."

Thank you for your attention,

Eric Jensen

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