

ikon**Letter of Comment No: 5765** —
File Reference: 1102-100**From:** Greg Young [gyoung@nuvasive.com]**Sent:** Wednesday, June 30, 2004 3:29 PM**To:** Director - FASB**Subject:** Mandatory Expensing of Employee Stock Options Opposition - File Ref. No. 1102-100

To: Director of FASB

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Dear Sir or Madam,

"Broad-based employee stock option plans have been, and continue to be, an important engine of economic growth in the U.S. By giving employees at all levels a **chance to own** a "piece of the rock," broad-based stock option plans fuel innovation and the entrepreneurial spirit, increase productivity and boost shareholder returns."

I think this sums it up for me. Stock options are nothing but promissory notes until one vests and elects to exercise the option. An employee may leave the company prior to either event occurring. If mandatory expensing of stock options were to occur, does this mean the company owns the stock option in the event the employee elects not to exercise it? Could the company reissue it to someone else without the expense since it was already expensed at one time? Could the company exercise it for capital to invest back into the company?

I don't claim to be an expert or even understand all the implications by this proposal. It's my opinion that it would have a negative impact, not only to my company, but also in the number of shares that could be awarded to me. The fact is the promise of potential monetary reward is attractive to most employees. It is a deciding factor for job seekers. It instills a motivational factor in the workers that if they do their jobs correctly or even better, that it will correlate into a gain in the stock. Besides, how do you place a value on a promise if the promise is never executed. I think the expense should be valued at the time the promise is kept.

I ask you to reconsider your proposal.

Sincerely,
Greg Young

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