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Letter of Comment No: 2896
File Reference: 1102-100

From: Andy Laker [Anthony.Laker@Sun.COM]
Sent: Tuesday, June 01, 2004 1:16 PM
To: Director - FASB
Cc: Anthony Laker
Subject: File Reference No. 1102-100

FASB Director,

To whom it may concern. From what I have read of your proposed rule change to require companies to expense stock options in their financial reports, the simple result would be an almost immediate cancellation of the awarding of stock options to key employees at major corporations. What worries me the most is how the FASB can somehow accurately detail what the "one time" value of an option price would be and stick to that value. Even though during the recent down turn in our economy drove most of the option prices to be below that of the current stock price. Meaning they are basically all "underwater". By asking the corporation to somehow absorb or bear the brunt of this cost as opposed to just showing the stock option activity in their quarterly reports, would do nothing but make it unattractive for them and hence they'll cease this outstanding program. I also read on to find out that FASB does not provide a vehicle for this "one time" price to be updated worries me even more.

This practice of awarding employees with stock options has a trickle down effect that is a great motivator through out corporations. It inspires those who have been awarded some options to continue their efforts to try and receive more. It also motivates those who haven't received any to work harder so they can receive some of these options.

Without such a great practice installed at my currently employer I doubt I could have purchased the house that I wanted in Colorado.

Spurring people on to be more productive and more efficient at work can only lead to more prosperity for the corporation and therefore spurring the economy as well!!! I believe your current proposal would counteract that!

Please don't take this valued practice away from corporations by causing them to expense these great stock option offerings.

Keep America's economy growing and the American dream alive!!

Don't enact you proposed change to expense stock options!!

regards,

--Anthony Laker

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