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Letter of Comment No: 4070

From: Jane Kiley [janie@sierrahealthservices.com]
Sent: Thursday, June 10, 2004 2:36 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

File Reference: 1102-100

Jane Kiley
P.O. Box 832
Pahrump, NV 89041

June 10, 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.

My name is Jane M. Kiley and I work for Sierra Health Services. If I had not had the stocks purchased through our ESSP, I would have found myself in a bind a couple of times over the last three years. I have been able to sell purchased stock to buy a truck when my family needed one desperately a couple of years ago. Within the last year, I was able to pay for a new septic tank and new septic field when our system failed us. The contractor gave us an additional discount for paying cash versus having to charge the payment. I have friend's and coworker's who have been able to provide a down payment on a first home because of stock they were able to sell.

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,

Jane M. Kiley