## ikon

From: rmades@nc.rr.com

**Sent:** Wednesday, June 02, 2004 11:40 AM

To: Director - FASB

Subject: FAS123 - Expensing of Stock Options

I am writing in opposition to the proposed requirements for corporations to expense stock options.

As a software engineer at a technology company, I have seen first hand how our employee stock option program has energized our work force and served shareholders interests since we, as shareholders ourselves, are continually considering how to enhance shareholder value.

I am at a loss to understand how a company would accurately estimate the value of employee stock options prior to their being exercised. In my case, some of the options I received have an exercise price significantly higher than the current price of the stock, rendering them worthless for years to come. I am not able to sell any options and the company has incurred virtually no costs by issueing them. The current proposal would have inaccurately reported these worthless options as an expense in the year they were issued, and this would have been an inaccurate and misleading declaration.

I expect that our CFO would have a difficult time attesting to the accuracy of a financial statement with expensed employee stock options, knowing that there is no accurate way to measure their value.

I believe that requiring companies to expense employee stock options will lead to the discontinuation of the program at my company. I am very concerned about this because the stock options represent a potentially large portion of my retirement income (since we don't have any kind of pension program). I am also concerned that the technological leadership of American companies is at risk should major motivating factors for employees be discontinued, and this would be detrimental to the American economy and national security.

Currently, due to the influence of stock options, I can make a good living in the technology field. Should it become less lucrative, I would be more likely to seek an alternate way of building wealth, such as through the service or retail industries, or even through technology companies based overseas which would be able to continue their employee stock option programs without any hinderance. If others feel this way, this will also have a detrimental effect on the strength of our technology industries in the US.

I urge you to consider the negative impact on individual employees and shareholders before implementing expensing of stock options.

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