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Letter of Comment No: 2865
File Reference: 1102-100

From: rolan [roger.nolan@Sun.COM]
Sent: Tuesday, June 01, 2004 2:24 PM
To: Director - FASB; Roger Nolan
Subject: File Reference No. 1102-100

This email is being sent to express my opposition to the FASB proposal to require stock option expensing, File Reference No. 1102-100. My major concerns are as follows:

- 1. Global Competitiveness.** The global economy is causing strong downward pressure on salaries in the USA. This is going to drive companies to do one of two things:
 - a. Move jobs overseas where salaries are lower.
 - b. Incent US-based employees in more creative, non-salary ways like stock options.

If you remove this option from US employers you will make our country less competitive and ultimately help to drive jobs overseas. Stock options allow employees to take less in salaries in order to share in the equity growth of the company.

- 2. How to Value Stock Option Expenses.** The proposals I have seen to date are clumsy guesses at best that will have a significant negative impact on corporate bottom lines. There is also no chance to re-adjust at a later date if the guesses prove wrong. This, again, will hurt the USA in terms of global competitiveness.

- 3. Stock Options Are Not An Expense the Company.** I have never understood why anybody would think that they were. Why are we looking to cripple our competitiveness to chase this issue? The only "cost" is potential dilution to the company's stockholders.

Thank you for your consideration.

Regards,
Roger Nolan
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