

Stacey Sutay

Letter of Comment No: 71
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From: Karl [karl_rabe@fastmail.fm]
Sent: Thursday, April 15, 2004 8:04 PM
To: Stacey Sutay
Subject: Expensing of employee stock options

Upon reading your site I came across a draft release FAS123, which covers accounting practices for broad-based employee stock options. I am a shareholder that would be adversely affected by this proposal.

If this exposure draft were to be approved it would be another slap in face for the working middle class. Surely, Fas123 would end broad-based employee stock option plans.

While working for my employer, employee stock option plans have not only motivated me to invest more of a stake in the company, but also work more rigorously and efficiently. Ultimately, these options create a symbiotic relationship between employees and shareholders by better aligning common goals and interests. With stock options, I benefit solely when the shareholders benefit. Performance is measured by stock value, which is directly proportionate to building shareholder equity.

Employee stock options are not freely tradeable at my discretion, can be forfeited if I leave the company, and are therefore highly inaccurate when valued. How can someone assign dollars to something that has no tangible market value? Under this exposure draft, FASB will arbitrarily assign a fallacious value and force companies, like mine, to put inaccurate information on financial statements. The industry has gone through this before, companies that had to dance around financial statements to show worth and value in the marketplace. Yet again, financial statements will become less valuable to potential individual investors. Doesn't anyone read into history?

Please, reconsider and rescind this exposure draft. It will accomplish nothing but harm to otherwise fruitful companies trying to compensate justly individuals that care about their business.

Sincerely,

Karl Rabe

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"People demand freedom of speech to make up for the freedom of thought
which they avoid."
- Soren Aabye Kierkegaard (1813-1855)

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<http://www.fastmail.fm> - Same, same, but different...