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From: Steve Preissman [spreissm@comcast.net]
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To: Director - FASB
Subject: FAS123 - Expensing of Stock Options

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Broad based employee stock option plans are a major plus, not only in improving worker productivity, but also in improving an employee's lot in life. Higher productivity benefits shareholders, so they can't be so bad can they. My view is that if FAS 123 is implemented these broad based plans will go the way of the dinosaur, as we can already see in some companies who apparently want to avoid the complications of what you propose. That is a major negative.

Beyond that, how should employee stock options really be valued? They can't be traded and are generally lost when the employee leaves the company. Also, they have no value when they expire under water. How are the above points taken into consideration when expensing the options? Does the company just make up a number, thus providing inaccurate information on the financial statement?

As you may have guessed, I have work for a company that gives out stock options. They certainly have improved my lot in life and have allowed me to, so far, send two of my four children to good colleges. I own shares in the company and do my best to see that my shares increase in value, thus helping me and all shareholders. Without the added benefit, I doubt that I would work all of the crazy hours that I do. If all employees felt that way, company moral would probably go down as would the value of the stock.

Please leave stock options as they are or come up with a better way of expensing options.

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