

ikon

From:
Sent:
To: Director - FASB

Letter of Comment No: 5599
File Reference: 1102-100

Dear Mr. Director,

I'm writing today to request that you reject the expensing of Stock Options as a FASB policy.

75% of my colleagues at Silicon Valley Bank participate in either our employee stock option program or our Employee Stock Purchase Plan (ESPP). It's no wonder why we often refer to ourselves not merely as employees, but as the "employee-owners" of Silicon Valley Bank

Like many innovative companies in Silicon Valley and across the country, SVB has long embraced the ideal of employee ownership - via options or an ESPP - as a way for individuals to benefit directly from their contributions to the company's success.

Having said that, today the future of such broad-based employee ownership stands in jeopardy. It's for that reason that I'm writing today.

In response to the March 31, 2004 Financial Accounting Standards Board's Exposure Draft, the Share-Based Payment and Amendment of FASB Statements No. 123 and 95, I respectfully request the FASB to reconsider its position.

Employee stock options and Employee Stock Purchase Plans make me feel like I have a stake in the success of Silicon Valley Bank, and they motivate me to work harder. I believe that if SVB is forced to expense all employee stock options and ESPPs, my company might no longer offer such programs to the majority of employees. This would negatively impact morale, productivity, and innovation.

In addition, expensing stock options and ESPPs is bad accounting. The potential dilution of each investor's share of company ownership is the real cost of employee stock options. It's a cost that is already reflected in "diluted earnings per share" estimates in company financial statements.

In fact, there is no accurate, reliable, and consistent way to value employee stock options. Many leading economists believe that investors will not be well served by the misleading "guesstimates" produced by current option valuation formulas.

In closing, I'd like to once again urge the FASB to reconsider its position on this important issue. Broad-based stock option plans and ESPPs enhance productivity, increase shareholder value and benefit employees. Broad-based plans should be encouraged, not eliminated.

Respectfully,

This message contains information from Silicon Valley Bank, or from one of its affiliates, that may be confidential and privileged. If you are not an intended recipient, please refrain from any disclosure, copying, distribution or use of this information and note that such actions are prohibited. If you have received this transmission in error, please notify the sender immediately by telephone or by replying to this transmission.

This message may include indicative rate information relating to one or more products offered through Silicon Valley Bank, or affiliated broker-dealer, SVB Securities. Rates and yields shown are provided for informational purposes only, are not guaranteed, and are subject to market conditions and availability. Nothing in this communication shall constitute a solicitation or recommendation to buy or sell a particular security. Nations Cash Reserves, Nations Treasury Reserves, Nations Institutional Cash Reserves, SVB

Truttmann, Teresa
Stasiak, Valerie
Saldana, Doreen
Dahlina, Corey
Flynn, Jane M.
Gershenberg, Aaron
Beraud, Karen
Hoyt, Derek
Loveless, Ken
Zahn, Larry
Sun, Elisa
Duke-Biscoe, Sara
Goozman, Shawn
James, Cani
Cardenas, Rosie
Liang, Anne
Mangum, J. Doug
Selfridge, Mike
Robinson, Tina
Munoz, Rayshell
Eberle, Stephan
Crosslin, Kim
Pillinini, Dino
Hanley, Keith
Wood, Travis
Mangum, J. Doug
Cadieux, Marc C.
Truttmann, Teresa
Northrop, Penny
Gallagher, Mark
Honigman, Nick
Hardin, Tim
Witt, June
Riley, John
Clark, Marla J.
Murphy, Jared
Hanley, Keith
Erickson, Troy V.
Castro, Edwin
Caro, Fermin
Loo, Annie
Schatz, Terressa
Lee, Andy
Farina, Christopher
Kimbrow, Maggie
Shick, Sarah
Arvizu, Edgar
LeMay, Diane
Carew, Brigid
Devery, Mike
Hamilton, Douglas L.
Fournier, Scott

Clark, Matthew
Jacobson, Eric
Warble, Susan
Khan, Kevin
Pillinini, Dino
Lilani, Ash
Fielder, Susie
Resurreccion, Malou
Gershenberg, Aaron
Warble, Susan
Bertolino, Jill