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Letter of Comment No: 4276 File Reference: 1102-100

From:

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Sent:

Monday, June 14, 2004 5:44 PM

To:

Stacey Sutay

Subject: Stock Option Expensing-Not a good idea...

Dear Sir!

I would like to voice my opinion in an appeal voting against stock option expensing. Employee stock options have been at the foundation of startup company philosophy which has been instrumental in many corporate successes over the past decade. Giving the employees ownership in their company and rewarding exceptional performance, not only helps accelerate a company in a fiercely competitive global business landscape, but it is part of the capitalist model.

I can only assume that this drive is largely fueled by lobby groups attempting to stymie the ability for startups to take root and/or limit the ability of successful established companies to maintain their drive in the marketplace. The passing of such legislation would not only result in more US jobs lost to cheaper overseas alternatives, but will also weaken US based company's means to compete in the current global marketplace.

In closing, the legislation proposed to expense stock options is about the same as making option grants illegal because no company, in their right mind, would continue to grant stock options to their employees. The alternative restricted stock plan that most companies would change to does not provide the incentive and benefits that option grants provide.

It just makes sense to keep employee stock options without a measure requiring expensing. It's the American Way!



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