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Letter of Comment No: 3659
File Reference: 1102-100

From: Kristine Cornwall [Kristine.Cornwall@Sun.COM]
Sent: Friday, June 04, 2004 1:30 PM
To: Director - FASB
Cc: Piper.Cole@Sun.COM; cafman1@yahoo.com
Subject: File Reference No. 1102-100

Dear Sir,

Re: File Reference No. 1102-100

I have been following the FASB's efforts to expense stock options for the past 10 years, and as a shareholder in a variety of high-tech companies as well as an employee recipient of stock options I have grave concerns.

I truly believe this effort is an attempt to quash runaway executive compensation, and yet it will have the opposite effect by most significantly affecting lower- and mid-level employees. It simply makes no sense to try to place any value on stock options before they are exercised (if indeed they ever are), and I think the FASB and most financial professionals know that, as evidenced by the inability in 10 years to agree on a reasonable way to account for stock options. And don't forget that most employee stock options plans must be approved by shareholders - so the price and number of shares relative to all shares outstanding is no secret.

If companies are required to expense stock options, the most likely outcome is that we will see a retraction of employee stock option plans. This means that employees will no longer directly benefit - or suffer - from the financial success or failure of the company, and this hurts everybody.

Thank you,
Kristine Cornwall
Product Marketing Manager
Sun Microsystems