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Letter of Comment No: 3427
File Reference: 1102-100

From: Gregory Hershey [greg@sierrahealth.com]
Sent: Wednesday, June 09, 2004 6:40 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

Gregory Hershey
7616 W. Delhi Ave.
Las Vegas, Nevada 89129

June 9, 2004

Ms. Suzanne Bielstein
Financial Accounting Standards Board
401 Merrit 7
Norwalk, CT 06856-5116

Dear Ms. Bielstein:

Re: Share-Based Payment Exposure Draft

I work for a company that allows employees to purchase my employer's stock at a discount through an Employee Stock Purchase Plan (ESPP). I understand that the Financial Accounting Standards Board (FASB) has proposed a change to accounting standards that would require my company to count this discount as an expense against its earnings (Share-Based Payment exposure draft). I respectfully request that you reconsider this proposal and not require expensing of the discount allowed in ESPPs.

I am concerned that required expensing of the discount in the ESPP may make this valuable benefit plan less attractive to my employer, potentially causing my employer to either discontinue the plan, or reduce or eliminate the current discount. If the discount is greatly reduced or eliminated, buying company stock through the ESPP would no longer be much of a benefit. Unlike benefits aimed only at high-paid executives, this is a valuable benefit for employees across the company.

The ESPP is a very important benefit to me. Being able to participate in an ESPP has enabled me to invest in my financial future and experience a sense of ownership in my company. This benefit helped attract me to and serves as an incentive for me to remain with my employer. I could even say I continuously strive to perform to the best of my ability because I am an owner of the company.

In an era of downsizing and benefit depletion it comes as no surprise that yet another benefit is being targeted for change that once again will have a negative impact on the common employee. Raises are down or nonexistent in many cases, benefits are reduced or eliminated, work hours are up without compensation, and if the powers that be had their way we'd probably be paying someone just to have a job. People are even being pressured in to taking cuts in salary and benefits just to remain employed. This while government and corporate brass go unchecked to their mansions and playgrounds all over the world, and embezzlement and waste consume our pensions and taxes. The meager amount we make on these ESPP's is not worth the time and money you will spend to litigate the changes to it. Spend the money on feeding the poor or building housing or fixing the country's infrastructure or fighting crime. Do something useful for all of us peons instead of finding ways to take your cut.

Millions of workers like me in companies across the country are able to purchase their employer's stock through ESPPs. This builds company

loyalty and helps to promote high standards of work when employees have a sense of ownership.

I strongly urge FASB to consider the negative impact the proposed rule would have on the nearly 16 million workers like me and eliminate the expensing requirement for ESPP discounts in the final rule.

CC:
SEC, Chairman, William Donaldson
SEC, Chief Accountant, Donald Nicolaisen
Employee Ownership Coalition (eoc@vennstrategies.com)

Sincerely,

Gregory J. Hershey