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Letter of Comment No: 5653
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From: Joy Hope [djhope@sbcglobal.net]
Sent: Monday, June 28, 2004 4:36 PM
To: Director - FASB
Subject: Expensing of Stock Options / FASB File Reference #1102-100

To: Chairman Robert H. Herz

I urge you not to expense stock options and especially not at an unrealistically high valuation.

I have worked in high tech companies for over 25 years. Five years ago, I decided to leave the security of my former high tech employer after 18 years, primarily due to the pervasive lack of employee motivation and interest in the success of my former, long term employer. For the past five years, I have been working for a high tech company in Silicon valley that offers broad-based stock options. I believe my experience has allowed me to compare the difference that broad-based stock options can make, appreciate the personal and financial benefits of stock options and also witness the resulting creative energy that leads to remarkable innovation.

Upon transition to my current employer, I was immediately impressed and gratified to witness employees drive toward achievement of very clearly stated business objectives. Everyone performs as if we own a piece of the business and that ownership results in a united teamwork, where everyone works just a little harder, a little faster and more than a little smarter. That higher level of productivity nets higher margins and faster time to market with innovative products and services. The employees of this company wanted to make a difference and have made a difference, and we have been rewarded far beyond our standard industry based compensation package. Broad-based stock options have been prime motivation for joining the race to meet our company objectives. Employees of my former company, myself included, had no incentive to go the distance – to win the race.

In my personal experience, broad-based stock options drive successful high-tech business. These stock options reward highly productive employees with an opportunity to share in the success of the business that they helped to create and, ultimately, the shareholders interests are better served.

Sincerely,
Joy Hope
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6/29/2004