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From:

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Sent:

Tuesday, April 20, 2004 12:37 PM

To:

Director - FASB

Cc:

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Subject: An Employee Input on Debate @ Expensing Stock Options

## To Chairman Robert H. Herz,

I wanted to share with you a few points on the effects of the stock option program from an employee perspective. I am your rank and file employee who has limited opportunities for sharing in corporate ownership. The ability to earn rights to own stock in the firm I work for provides me a significantly high level of motivation to drive for productivity and efficiency. I feel not just as an employee, I feel a member of the shareholder family. I benefit from my labor from stock appreciation if my work brings value to the entity and I do not if I do not bring value. I feel I make decisions based on a more long term perspective for the company vs. short term(salary alone based).

The decision of expensing can involve the mechanics of taking P&L hits. The concerns I have is that, vs. other methodologies for valuing expenses, the discussed process of valuation is very prohibitive towards maintaining a stock options program. While I am not a professional economist, I question the claim of a stock option being the use of an asset. Any options I receive have questionable value until exercised.

In summary, the downscaling of the sharing of corporate ownership that will occur for the trade off of questionable accounting theory integrity is a significantly negative proposition. I strongly want to share that my personal ability to experience the benefits of stock ownership and benefits from longer term appreciation keeps me strongly focussed on the ball for the company and by default, the US economy from a macrocosm. The decrease of company involvement in these type of programs will, in my opinion, lead to a continued gap between rich/poor for the tradeoff of biased and confusing FASB accounting.

Thank you for your time in allowing me to share my inputs as an employee.

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