

**ikon**

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**From:** Director - FASB  
**Sent:** Wednesday, June 02, 2004 4:40 PM  
**To:** ikon; Karen Salmansohn  
**Subject:** FW: File Reference No. 1102-100

**Letter of Comment No: 3057**  
**File Reference: 1102-100**

-----Original Message-----

From: Joel Stradtner [mailto:Joel.Stradtner@Sun.COM]  
Sent: Wednesday, June 02, 2004 3:59 PM  
To: Director - FASB  
Cc: jstradtner@mesanetworks.net  
Subject: File Reference No. 1102-100

In regard to File Reference No. 1102-100:

In a time of shrinking benefits and bonuses, stock options are one of the few ways that employees can continue to have "skin in the game" when it comes to the success of a company. Working as a team to grow the company provides everyone a chance to share the wealth of success. Stock options help to create stability within companies which is vital to following through on product plans and innovations within R&D. Without options, there is less reason to stay the course and more temptation to jump to the next job with the best offer.

Expensing a companies entire stock option portfolio makes little or no sense. In some cases, as is the case in my company, a significant portions of the options came during the dot com boom and those options are severely under water and will likely expire before they ever recover. In addition, the hit to the companies financials and impending analyst reviews could cause another nose dive at a critical time in our countries economic recovery.

Finally, a more logical approach is to find some formula that take into account the percentage of options likely to be converted. This formula would take into account short and mid-term financial performance, analysts expectations and options held by the companies top 1% salaried employees. To expense the entire option portfolio would likely end or significantly decrease the stock option programs for many companies.

I urge you to consider the effect this would have on a companies individual contributors like myself. Let's focus on the problem and not "throw out the baby with the bath water".

Thank you!  
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