

From: Doug Ray [Doug.Ray@Sun.COM]
Sent: Tuesday, June 01, 2004 12:57 PM
To: Director - FASB
Subject: Letter of opposition to FASB stock option expensing mandate

I am sending this letter as representation of my strong opposition to the FASB proposal to mandate stock option expensing. As an employee of a high tech company for more than a decade, I have seen the rise and fall of the high tech industry, along with the accompanying profits and losses. Stock options have contributed greatly to the innovation capabilities of the high tech industry.

Especially through the difficult times we are currently experiencing, stock options are one of the biggest factors that keep employees motivated and working tirelessly to bring the company back to prosperity.

What model would be used to calculate the value of these options? During the past decade, I have seen the value of my options (which were granted to me based on my specific contributions to the company) go from zero to +300%, to -50%, back to the present value at -10%. Dollar-cost averaging? How does that motivate employees to contribute? How does that bring positive shareholder value?

I strongly urge you to reconsider your position on this issue, in the interest of bringing the high tech industry back to a position of ability to employ highly talented professionals who can make a difference in the economic revival of Silicon Valley.

Sincerely,

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