

ikon

From: Elaine Sherwood [Elaine.Sherwood@Sun.COM]
Sent: Tuesday, June 01, 2004 8:33 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 3019
File Reference: 1102-100

Stock Options for the everyday worker is important!
And when granted fairly, meaning not just to the top brass, stock options align the everyday worker with company goals meeting company objectives that ultimately satisfy the share holder -- because *we* are shareholders too!

But what I don't understand is how an expense amount can be determined? If I'm granted shares that go underwater (and in my case along with several thousand employees it is underwater about \$42 per share times thousands of shares times thousands of employees) and I never plan to exercise the stock, what possible expense could be calculated? It would be more appropriate to enforce full disclosure of outstanding shares and their status in quarterly and annual reports.

If you think mandatory expensing will end excessive executive compensation - think again, because a corporation will always find a way to reward its top executives. Mandatory expensing will have a disproportionate effect on companies with broad-based stock option plans -- companies that are rewarding their everyday workers will be the ones adversely affected.

With my options, I was able to purchase a home in northern California. If you force this to be a corporation expense, then you are essentially killing off corporations willingness to offer broad based stock options for the everyday employee ... and killing the dream of owning a home or paying for college.

On the surface, making employee stock options sounds like a good way to expose the Enrons' and Worldcoms' of the world, but infact it is killing the dream for the everyday worker who happily work for companies that broadly share stock options. Please keep the dream alive for us hard working folk - do not pass FASB proposal to mandate stock option expensing.

Elaine Sherwood
71 Maple Lane
Walnut Creek CA 94595