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From: Daniel Lynn [Daniel.Lynn@Sun.COM]
Sent: Tuesday, June 01, 2004 2:15 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 2876
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I wish to voice my disagreement with expensing stock options.

I have been employed at Sun Microsystems for 5 years. I have always appreciated the "reward for performance" aspect of stock options, and that they have been granted generously to both executives as well as rank and file. During my tenure the stock has seen glorious highs and dismal lows. We all (Sun Microsystems employees) profit or lose together. Therein lies the camaraderie - by all of us having stock options we are all in the same proverbial boat. It is not "us vs. them" (i.e. rank and file versus executives).

Expensing stock options puts unnecessary strain on a company's reported expenses. Specifically, there are no outlets to adjust those expenses as the stock option price rises or lowers (I believe the term used is "true-up"). I do not see this as benefiting a company long term.

Here is my situation: Of the stock options I have received, an overwhelming majority - eighty four percent (84%) - are of no value today. Only sixteen percent (16%) of my stock options are worth something today. Technically, my total stock options profit as of right now is \$558. Nearly \$70,000 of stock options were granted to me, and my current profit is 0.81% of what was granted to me. Obviously I will not be putting my kids through college on \$558.

Why the sob story? Because it is illustrative of what many workers are going through. Stock options are the only bond we share with executives. The sad result is that if options are expensed that will not be so freely and generously distributed in the future. Expensing them at the risk of not receiving any only alienates the rank and file from executives. I do not see this as benefiting a company long term either.

In conclusion, expensing stock options can negatively affect a company both in terms of their reported expenses as well as the morale of the employees. The strength of our economy lies in the happy marriage of companies having the ability to share financially with employees, in the hopes of keeping morale peaked. Even during these times of financial famine some of us hold on to the dreams. Profit is not guaranteed, but please don't take away the prospect of having some.

Sincerely,
Daniel Lynn
Nashua, NH