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Letter of Comment No: 2525 File Reference: 1102-100

From: Maria Mobus [Mmobus@mobius.com]
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To: Director - FASB

Subject: File Reference No. 1102-100

Stock options give employees at all levels a stake in the success of our companies. They encourage the hard work and entrepreneurial spirit that fuel innovation, increase productivity and boost shareholder returns.

I have personally seen the motivating effects of employee stock option programs. Owning options makes me feel like I have a real stake in the success of my company and increases my dedication and long-term commitment to my work. Stock option programs are also good for shareholders because employees are rewarded only if our company's stock value increases. In the past, my stock options have enabled me to improve my quality of life in meaningful ways. Even when my options are "underwater," I feel personally tied to the success of my company.

The Stock Option Accounting Reform Act would require a study of the impact on the economy and innovation prior to expensing options for rank-and-file workers. However, it would mandate expensing of stock options awarded to top executives of large companies. As a result, the legislation will not needlessly jeopardize the benefits provided by broad-based stock option plans.

There is a real need for a comprehensive study, outside the exclusive domain of the accounting profession, because current valuation proposals would create a highly distorted picture of the real economic effects of broadbased stock option grants and thereby create more confusion for investors.

Many technology companies grant options to the vast majority - and often to 100 percent - of their employees. If options are required to be treated the same as a cash expense, companies would drastically reduce the number of people who receive options, probably restricting them to the most senior executives. This legislation recognizes the importance of broad-based employee stock options to rank and file employees, to innovation, and to economic growth that benefits all of us.

Thank you.

## Maria A. Mobus

Mobius Management Systems, Inc.

MPS Trainer

Email: mmobus@mobius.com