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From: Jeff Johnson [Jeff.M.Johnson@Sun.COM]
Sent: Tuesday, June 01, 2004 3:41 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 3003
File Reference: 1102-100

To the Director of Major Projects-

I'm writing to express my concerns with regards to the Share-Based Payment proposal, File Reference No. 1102-100. I am a recipient of many stock options over the course of my career in the high-tech industry. Over the years, I've been fortunate enough to exercise some options which have benefited my family in both good times and bad. I've also had the misfortune of seeing what was once my hope for a retirement fund evaporate as my options sank deep underwater. So, while I'm not an accountant, I feel qualified to at least comment on the overall thrust of the proposal. Below are a number of my concerns.

1) I disagree with the assumption stated in Issue #1 that stock options are compensation. I'm paid a salary bi-weekly for the work I perform. Options are an incentive from the company to stay so that I can positively influence those options having value when I'm able to exercise them (in my case, four years later). I would think that most people would agree that signing up to do work for which one may or may not get paid - and even if they do, not for four years - is not a rational thing to do.

2) The assumption that options represent an expense to the company at the time of distribution isn't a valid one. Handing out stock options may impact *shareholders* via dilution, but are not an expenditure to the company itself. Besides, what about those options that will never be exercised either because the employee leaves the company or the options are underwater?

3) While I get as angry as anyone over abuses of options by some self-serving executives at other companies, I'm grateful that my employer distributes the vast majority (88%) of options to the rank-and-file. Rather than coming up with ways to target the few bad apples, this proposal indiscriminately impacts *all* companies. This is not only unfair but counter-productive.

4) Given the historical volatility of share prices over the vesting period of my shares, I don't see how a "fair value" price could be determined up-front that wasn't purely arbitrary. Why make a company expense options that are worthless by the time they're exercisable? In the case of a company that's struggling financially (as mine is), heaping on huge additional expenses seems like simply a policy to facilitate their demise.

Respectfully,

jeff johnson