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Letter of Comment No: 2860
File Reference: 1102-100

From: Gregory.Tarsy@Sun.COM on behalf of Gregory Tarsy [gvt@susila.sfbay.sun.com]
Sent: Tuesday, June 01, 2004 2:42 PM
To: Director - FASB
Subject: File Reference No. 1102-100

To: Director, FASB
From: Gregory Tarsy

I am writing to register my strong opposition to the position that calls for recording stock options granted to employees as expenses.

My reasons are as follows:

. It will have a negative impact on both employees and the US economy through deprecating innovation and competitiveness since now stock-options encourage employees to take risk along with the company leaders. . Options to employees are not an expense to the company but to the stockholders who should be, and generally are, informed of the effect. . Even were options to be considered an expense there is no way to rationally value them since they cannot be traded before exercise and when they are finally vested their value is unpredictable. Moreover, there is no way proposed for a company to recoup the "loss" due to an eventually discovered incorrect reckoning of the "expense".

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