ikon

Letter of Comment No: /84/ File Reference: 1102-100

From: Ramanuj Kushwaha [ramanuj@adelphia.net]

Sent: Monday, April 26, 2004 11:31 PM

To: Director - FASB

Subject: FASB FileReference No. 1102-100 - Expensing Of Stock Options

Chairman Robert H.Hertz

FASB 123

re: File Reference No. 1102-100

Dear Chairman Hertz,

 $\rm I$ am writing to express my concern over FASB draft released on FAS 123 to expense broad-based employee stock option plans.

My company provides broad-based employee stock options which makes a significant portion of my compensation. If stock options are expensed, it would become extremely difficult for my company to hand-out stock options which would have following negative impact on me:

- 1. My overall compensation would reduce significatly.
- 2. Due to economic slowdown and continuous job offshoring to China and India, I expect my salary to remain flat or decrease. So stock option is a key to adequately fund my future expenses like retirement, Child Education, Medical Expense. I dont want to be burden on SocialSecuiry when I retire.
- 3. Since China and India are more friendly towards employee stock options, the employers in those countries can still use options to compensate employees. This means employers can pay lower wages which would accelerate offshoring. So my job is at risk.
- 4. It is my understanding that US companies would continue to offer stock options to top executives. This proposal would hurt people like me who are dependent most on the options.
- 5. I would lose ownership and profit sharing of the company I work for. Employee ownership is key to employee productivity and Innovation.

No one can accurately predict when and at what price option will be excerised by employee. Sometimes employess walk away from options when they resign. The true cost of option expensing can be determined only when option is excercised. Since option excercise reduces Earning Per Share, the true cost is already reported.

I hope you'll consider my concern.

thank you Ramanuj Kushwaha ramanuj@adelphia.net