Stacey Sutay

-----Original Message-----

From: Duy Tran [mailto:oakide@gmx.co.uk]

Sent: Monday, November 25, 2002 11:41 PM

To: fasbcomments@fasb.org

Subject: the logic of employee stock options as even options?

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It seems to me that what clouds the debate on the issue of expensing stock options when they are given orwhen they are excercised is that employee stock options are called "stock options."

The restrictions on employee stock options make them more like bonuses based on stock price. You could essentially write a bonus agreement that effectively would be a stock option but paid in cash and expensed when the cash is actually transferred. Also the stock option is essentially not the employee's option since if he is fired, he loses it, it is still the companies until he excercises it. Of course, this wouldn't help out to smooth "earnings," but I view it as the only logical conclusion based on the facts.