## Stacey Sutay

Letter of Comment No: 432 File Reference: 1102-100

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To: Director - FASB

Subject: File Reference No. 1102-100

## Chairman Robert H. Herz,

As an employee of a company that highly values its stock option program, I feel it is my duty to write you and let you know that expensing stock options is not the way to go. Especially at an unrealistically high valuation. There are many areas that will suffer if the decision is made to expense stock options. Not only will U.S. based companies have a much greater difficulty at competing with other countries on a global basis, but it will also harm companies in ways of innovation, technology and job creation.

I graduated from college nearly four years ago and as I was searching and interviewing for the right company to work for there were several aspects that were appealing to me. One of the major components was a stock option program. Having a stock option program was a great way for a company to recognize outstanding employees without always having to give a raise or promotion. It is a motivator to employees to be more productive as well as have ownership in the company they work for. To have a stake in the company you work for means that you're not just working for the big guy at the top or even your own manager, but you're working for yourself. The more productive and creative employees can be at increasing revenue and cutting expenses respectively means stock values will more than likely go up.

Living in an area that has an extremely high cost of living, I am not able to afford a home. I think this is sad when I believe I work for a great company. Companies are competitive in salaries, but they can't pay you more than the market demands. So, by adding a stock option program, I am getting closer to being able to buy a home in the Silicon Valley as well as save for children's educations and save for retirement. If stock options are expensed, not only will I continue to not be able to afford a home, but companies will not be able to afford to create new jobs. As this is a major area that our nation is looking at right now, why put a road block in the way of that happening? I see it being no good for companies or the people of the United States.

Finally, what is the definition of an expense? That might need to be looked at again.....because stock options do NOT meet the definition of an expense because they do NOT use company assets.

Thank you,

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