

Stacey Sutay

From: Brian Mullan [bmullan@yahoo.com]
Sent: Tuesday, April 20, 2004 8:18 PM
To: Stacey Sutay
Subject: Questions/Comments on FAS123
Importance: High

I've worked very hard for 10 years with a company that gave stock options to only the best employees.

Over those past 10 years... at times myself and many others have worked at times 4 days straight (24hrs/day) sleeping at work to meet a deadlines or to fix problems.

We did this because we were ALL owners of the company. No one would let down the "team" or the company.

I am concerned now because laws/rules on expensing stock options (FAS 123) are being considered.

I fail to understand "how" companies are going to value options??

I don't vest in the stock options granted me on day one... but over years!
I have stock options that I am still vesting in -or- have not exercised from 1999, 2000, 2001, 2002.

Most of those options are now "under-water".
Many will now probably never be exercised by me.

If my company had expensed those options during those years....

Would the company now get some kind of rebate/credit because the options expire... worthless??

During 2001 my company laid off thousands of employees....
Employees that held stock options that they would have "vested" in over the coming years now had options that would never be vested in or exercised?

Again... would my company get a rebate/credit?

What if people holding options "quit" without exercising options or completing vesting in "granted options"?

How can all of these possible inaccuracies in today's valuation of the options due to unknown future events lead to better visibility.

Couldn't it actually hurt stock holders by creating possibly artificial swings in a Company's stock price based on wrong assumptions about the expense charged for stock options granted in any single year.

I'd think investors will find less not more faith in what's reflected in those financial statements.

Why can't the options just be expensed as they are exercised...!

If options are never exercised then there is no effect on the Company/stock.

Isn't this what really matters?

Then you really would know the price/impact of the options a company gave their employees.

Brian Mullan