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From: Harry.Berggren@Sun.COM on behalf of Harry Berggre
Sent: Monday, June 21, 2004 7:02 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 5194
File Reference: 1102-100

Dear Sir:

I strongly object to expensing of stock options for corporations:

1. Stock options provide a valuable incentive and growth power for companies, and individuals, driving invention, and creativity in technology and industry.
2. Stock options are NOT expenses!! How can you possibly expense an option to buy stock, when the price to be paid depends entirely on the date that the option is exercised! It is absurd to try to force companies to calculate some made-up number for how much the option is worth, when there is no way that this actual valuation can be made until the optionee decides to exercise his/her options. This plan will cause untold damage to corporate financial statements.
3. The FASB has not fully taken account of the fact that these options are are: nontransferable; cannot be hedged; are long-term with typical vesting periods of four years and exercise periods of 10 years; generally forfeited if an employee leaves the company or is terminated prior to vesting; and, most importantly, that no market currently exists for trading employee stock options. In fact, I have yet to have any options granted to me have any actual value above the option price, due to several years of declining stock prices.
4. Nor has FASB permitted any means to "true-up" an expense in later years. Therefore, when the actual stock prices of options tank, there is no recourse for the company to recoup the lost "expenses" tax paid by the company for expenses that never occurred. This is grossly unfair and un-American!

I will continue to communicate my concerns over this issue.

thanks very much.
-Harry Berggren

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