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Letter of Comment No:3445
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From: Michele Higgins-Craig [craigmi@sierrahealth.com]
Sent: Wednesday, June 09, 2004 6:10 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

Michele Higgins-Craig
4032 Browndeer Circle
Las Vegas, NV 89129

June 9, 2004

Ms. Suzanne Bielstein
Financial Accounting Standards Board
401 Merrit 7
Norwalk, CT 06856-5116

Dear Ms. Bielstein:

Re: Share-Based Payment Exposure Draft

I work for a company that allows employees to purchase my employer's stock at a discount through an Employee Stock Purchase Plan (ESPP). I understand that the Financial Accounting Standards Board (FASB) has proposed a change to accounting standards that would require my company to count this discount as an expense against its earnings (Share-Based Payment exposure draft). I respectfully request that you reconsider this proposal and not require expensing of the discount allowed in ESPPs.

I am concerned that required expensing of the discount in the ESPP may make this valuable benefit plan less attractive to my employer, potentially causing my employer to either discontinue the plan, or reduce or eliminate the current discount. If the discount is greatly reduced or eliminated, buying company stock through the ESPP would no longer be much of a benefit. Unlike benefits aimed only at high-paid executives, this is a valuable benefit for employees across the company.

The ESPP is a very important benefit to me. Being able to participate in an ESPP has enabled me to invest in my financial future and experience a sense of ownership in my company. This benefit helped attract me to and serves as an incentive for me to remain with my employer. I could even say I continuously strive to perform to the best of my ability because I am an owner of the company.

In addition, my employer's ESPP plan pays for my daughter's Fall and Spring tuition at our state university. My daughter's father passed away and her social security benefits ended when she turned 18 (which was lowered years ago to save the Social Security Fund). Every 6 months, the money made from selling my stock has purchased books, paid tuition and parking fees. PLEASE do not change the accounting standards to ESPP plans.

Also, the money made by employees from their respective ESPP plans goes back into the economy. Isn't that what President Bush is trying to do, stimulate the economy?

Millions of workers like me in companies across the country are able to purchase their employer's stock through ESPPs. This builds company loyalty and helps to promote high standards of work when employees have a sense of ownership.

I strongly urge FASB to consider the negative impact the proposed rule would have on the nearly 16 million workers like me and eliminate the expensing requirement for ESPP discounts in the final rule.

CC:
SEC, Chairman, William Donaldson
SEC, Chief Accountant, Donald Nicolaisen
Employee Ownership Coalition (eoc@vennstrategies.com)

Sincerely,

Michele M. Higgins-Craig