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Letter of Comment No: 3428
File Reference: 1102-100

From: Shawna Reed [sbolton@sierrahealth.com]
Sent: Wednesday, June 09, 2004 6:41 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

Shawna Reed
9509 Country Wine Court
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.

I was very concerned to hear about the changes that may be taking place in 2005 regarding the ESPP.

Because of having the ESPP option my family and I have been able to have a substantial increase to our familys household income. Also some of things this has been able to do for us is to help supplement when I was on Maternity leave for 3 months and the cost that we incurred having a new baby in the house. We have also been able to Purchase our first home with money from the ESPP as well as the following year completing the back yard that had not been done when we first moved in.

The ESPP program has given us opportunitys that we would not have had before. This is indeed a great bonus to have with the company that work for.

I do hope that you will consider to keep the program as is and let us workers enjoy the benefits of this much needed program.

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,

Shawna Reed