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File Reference: 1102-100

From: Todd Miller [Todd.Miller@Sun.COM]
Sent: Tuesday, June 01, 2004 7:05 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Please do not implement the current FASB plan to mandate stock option expensing.

I have been a beneficiary of employee stock options. I also have options at stock prices from around the year 2000 which will likely never be exercised due to a very high exercise price, yet in the proposed expensing rules I see no way to account for this type of volatility - and under the proposed FASB plan my company would be forced to expense options at an arbitrary extrapolated price that may never be reached, with no recourse if that exercise never happens, thereby negatively impacting earnings statements, investor perception, and share value, when current accounting methods, shareholder voting procedures, and stock dilution already account for employee stock options, per K. Oshman's letter to you in this regard.

Well run and conservative companies such as Sun Microsystems will likely cancel their employee option plans if they are forced to implement accounting rules that distort reasonable accounting results. This will hurt many employees such as myself, who work hard to achieve performance based option awards., and the company who benefits from this extra level of effort.

Please leave the issue in the hands of shareholders, where it has been all along and really belongs, or come up with a new expensing method that accurately accounts for options and does not arbitrarily impair the financial stature of a company and the well being of its highest performers. This country needs great technology, both for internal use and export., and it needs the best effort from the best technical minds of the best technical companies to provide it, and Sun Microsystems in undoubtedly in that class of companies. The FASB proposal would undermine that effort.

Todd Miller
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