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Letter of Comment No: 625  
File Reference: 1102-100

**From:** Len Greene [lgreene007@yahoo.com]  
**Sent:** Tuesday, April 20, 2004 11:29 AM  
**To:** Director - FASB  
**Subject:** PASS - File Reference No. 1102-100

Dear Chairman Robert H. Herz,

Stock options are being used by companies to try to influence employees to work harder, but in fact the employee is being taken advantage of by the executives within the company. They use it as a carrot and a stick to motivate the employee. When the stock goes up, everyone benefits, but when it is at a very low dollar value, the company tries to leverage the options to make the employees purchase or invest in more to inflate the amount and try to get more money from the employee.

A lot of employees invested heavily into companies with their 401K plans and when the market took a downturn, it hurt a lot of them financially. The companies still made out, because the money used to purchase the stock options was money the employee invested from their pay checks, even if it was pre-tax.

For me personally, I tried to get a cash sign-on bonus rather than stock options, but the company (Cisco Systems, Inc.) wouldn't do it, because the price of the stock was so high and they had so many options to give out to employees to get them to join the company. SO, within that year, my options were worthless and they reverted back to the company, since I did not convert them while they were under water. Therefore, the company (Cisco Systems, Inc.) made out without having to payout anything and they got their stock options back when I was laid-off, since the stock options were not converted at the time I was an employee.

The company uses the options as if they are cash, but say you have to invest over time to get the money out.

I personally do not like stock options, because it takes 1 full year and then each month to get the options out on a prorated basis, so the company doesn't have to pay it out in one lump sum and the employee has to pay the transaction fees each time it is bought and sold at the same time. So, if the market takes a turn for the worse, only the employee is hurt, not the company, since they didn't pay out anything at that point in time.

So I say, pass FASB 1102-100 and make the stock options an expense, that way the company is in the same boat as the employee and they can't use stock options as a weapon on employees.

Regards,

Leonard Greene