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From:

niren joshi@cree.com

Sent:

Monday, June 21, 2004 9:07 AM

To:

Director - FASB

Subject:

File Reference No. 1102-100, Comment on FASB Stc

Letter of Comment No: 5141 File Reference: 1102-100



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Dear Mr. Robert Herz:

I am writing in reference to FASB's invitation to comment on its exposure draft, "Share-Based Payment," an amendment of Statements No. 123 and 95. Under FASB's proposed rules, employee stock options would be accounted for in Cree's financial statement as an expense to the company. This new accounting procedure would have a dramatic, negative effect on our bottom line and employees like me. If implemented as planned in 2005 this ruling would force many high-tech companies to reduce or eliminate broad-based employee stock plans. Therefore, I urge you not to implement this proposal.

Sincerely,

Niren Joshi Cree, Inc. 101 Hempstead Ct Apt 2A Cary, NC 27513