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Letter of Comment No: 4796
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From: k1drbar [k1drbar@pacbell.net]
Sent: Thursday, June 24, 2004 1:58 AM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

I am an employee of KLA-Tencor Corporation in San Jose, California. In my over 20 years as an employee of the company I have participated in the stock purchase plan (ESPP) which the company offers. I consider this to be one of my means to save for retirement, I still own most of the ESPP stock that I have purchased over the years, and what I have sold was used to help us purchase the home we are living in. In these days of little to no raises for several years now, it is one of the very few ways that my family can keep pace with life in the "Silicon Valley." Each year it seems that whatever small advantages we had are getting whittled away. KLA-Tencor used to offer ISOs, which were another way to create a personal investment, one that was closely tied to my efforts in making the company successful. Those options were converted to NQSO plans over the years, which are also appreciated, but are not set up in a way to encourage purchasing and holding company stock for the long term. In fact I have some NQSOs which I will be forced to exercise and sell soon as they are expiring. I would love to simply purchase the shares to hold them, but the rules on income taxes and basis change eliminate most of the advantages, if not practicability of a buy to hold strategy. Now it seems that because of some cases of abuse by certain corporate executives, the perhaps millions of employees who participate in ESPPs as I do are at risk of losing this benefit. I would like to request that the FASB really take a look at the situation from this side of the fence and look at how much all of the people who are not corporate executives stand to lose if the rules you are now considering are adopted. Perhaps it is a different day today, employees don't consider themselves part of what makes their company a success and as such do not see any value in owning stock in the company that they have chosen to work with, but please also consider the situation of people like me who do view thier work as a symbiotic situation. I strongly believe that it would be helpful for the competativeness of our nation if we would think about what can be done to encourage companies to establish employee stock ownership programs that enhance and nurture this symbiotic relationship.

Thank you for seriously giving this issue the consideration it is due.

Sincerely,
Steven Buchholz
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