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From: Sandra Livinghouse [sandra@atnpr.com]

Sent: Tuesday, June 15, 2004 5:25 PM

To: Director - FASB Save Stock Options



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June 15, 2004

FASB Organization

Dear FASB Directors,

I am writing to ask you to please reconsider your stance on the expensing of stock options. As a long-time silicon valley employee, and now principal of my own high technology public relations company (Above the Noise Communications), I have observed many fluctuations in the Silicon Valley/high tech economy. Despite the roller-coaster up and downs in this industry, however, stock options have been a sustaining life blood for helping to ensure U.S. dominance in the industry.

Letter of Comment No: 4146 File Reference: 1102-100

If you require companies to expense these stock options, high level executives will still get them, but the rest of the workforce will not. This reduced incentive will dramatically affect the way that high-technology companies operate today, to the detriment of the U.S. economy. You need to consider that workers in the high-tech industry do not belong to unions and do not have retirement programs beyond 401K programs that are self-funded. Without options incentives, these workers will see more value in working in other industries, where retirement and other benefits are more guaranteed, or for new Chinese or Indian high-tech companies that won't be hindered in offering workers options.

High-tech workers typically work long, grueling hours, especially in start-up environments, and this extreme effort must have a promise of a significant reward. Options are no guarantee, but provide a vehicle for each employee to have ownership in the company. This opportunistic culture is deeply American, and traditionally Silicon Valley high tech industry has offered an attractive level playing field for workers at all strata, with the promise of reward for working hard.

Now you propose to make Silicon Valley, and the U.S. high tech industry pay for the sins of criminals at Enron and other companies. I say lock those criminals up, but leave our stock options alone. As for wealthy investors who would prefer to partake in richer rewards from high tech companies, without compensating those working day and night to ensure the company's

success, I say your investment benefits will be short-lived. Without financial inducements, the highly intelligent and motivated high tech workforce will find another gambit, most likely working for competitive overseas firms which will properly reward them.

To close, you are proposing nothing less than the destruction of Silicon Valley and the U.S. high tech industry. I do not write this letter lightly.

Sincerely,

Sandra Livinghouse Above the Noise Communications 408-358-4709