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Letter of Comment No: 3877

File Reference: 1102-100

From: cdphx@altera.com
Sent: Wednesday, June 16, 2004 2:32 AM
To: Director - FASB
Subject: File Reference No. 1102-100, Comment on FASB Stock Option Proposal



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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. Forcing companies to show options as expenses on their income statement will eliminate or drastically reduce stock options for regular employees, while executive management will likely continue to enjoy generous options.

It is the regular worker, who will suffer the most, taking away one opportunity to move into middle class ranks, increasing spending power and contributing to economic growth. Moreover, employee stock options are the last refuge for adding a sense of ownership and loyalty, in the unloyal and sometimes unethical corporate world we work in.

Further, the employee bears risk that their grant may be worthless, yet if the option is in the money, it provides an opportunity to pay for a down payment on a home, pay for a child's braces, or handle unexpected emergencies.

Options are not an expense at grant, they may become a type of expense later and the estimated value is already accounted for in the footnotes to financial results. This has already been factored in by investors for years, and investors will not be helped by using a controversial formula that does not properly reflect employee stock options. The financial picture doesn't get more accurate, but rather more confusing.

Finally, this proposal causes more harm than good and should not be implemented. If anything, force companies to expense options to the top few executives, so that their options will be trimmed, rather than the regular worker. They can most afford it and the options to the top executives make up the largest percentage of options granted.

Sincerely,

Christopher Sooy
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