

ikon

Letter of Comment No: 3872
File Reference: 1102-100

From: Director - FASB
Sent: Tuesday, June 15, 2004 5:02 PM
To: ikon; Karen Salmansohn
Subject: FW: "ESPP Comment "

-----Original Message-----

From: Margery.Holcomb@radisys.com [mailto:Margery.Holcomb@radisys.com]
Sent: Tuesday, June 15, 2004 4:55 PM
To: Director - FASB
Subject: "ESPP Comment "

Dear Suzanne Bielstein,

I have been an employee of RadiSys Corporation for 10 years, where we have a ESPP and Employee Stock Options. As part of my benefits since the beginning of my employment, I was told that this is an additional benefit and an incentive for employees to remain with the company vs. terminating and moving around in the area. While some of the pay was lower than other companies, the stock options is one of the major reasons that I have remained an employee and RadiSys has wanted me to stay with them by offering the refresher stock options when granted. Taking either of the ESSP and/or Stock Options away as a benefit (due to the elimination of the favorable accounting treatment) is not what I would want as I use this as a savings (since the interest rate on savings is 1-2%). I remember when I was at Tektronix, Inc. and we had to option to buy stocks at 85% the market value now called ESPP but this was way back in 1972 and I would think that this should still be OK for all companies to have so that people take an interest in the company they work for and feel apart of the successes and failures. I disagree with the FASB's proposal to impose an accounting charge on stock options or ESPP's as this would result in a loss to employees of firms where they would end up discontinuing these benefits.

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----- Forwarded by Margery Holcomb/Radisys_Corporation/US on 06/15/2004 01:39 PM -----

The FASB's proposal to impose an accounting charge on stock options, if adopted, would also require employers to expense Employee Stock Purchase Plans (ESPPs), specifically when the option shares are issued at a discounted purchase price. Elimination of the favorable accounting treatment would have a significant impact on rank-and-file employees, as some companies are likely to discontinue or reduce the discount associated with ESPPs.

You can help save these benefits by contacting the FASB asking that the FASB consider the negative impact these proposed rules will have on employees-and asking the FASB to

eliminate the expensing requirement for ESPP discounts in its final rule. The FASB open comment period will end June 30, 2004. Emails can be sent to director@fasb.org, Suzanne Bielstein, to whom comments should be addressed, or use this letter provided by The American Benefits Council.

Julia Harper
CFO, RadiSys Corporation