

**From:** gbarrett@altera.com  
**Sent:** Wednesday, June 02, 2004 5:37 PM  
**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. I have worked in the silicon valley for over 15 year, my entire professional career. The main reason I work for high tech comapnies is because of stock options and the opportunity to contibute to the success of the company and then to participate in that success through stock options.

Stock options are a major contributing force to the motivation of people to make their company successful. One of the main goals of a public company is to increase the long term valuation of the company which benifits the share holders. Since employees are are shareholders through ESPP and Options they work hard not only to benifit other share holders but, also to benifit themselves. This creates adirect link between the interests of the share holders and the interests of the employees.

Passing a change in the regulations would most certainly impact the amount of options grated and ESSP given and therefore would have a dramtic negative impact on the US economy.

Increasing salaries to compensate for the loss of options granted would not motivate employess in the same way and would only increase the pressure to transfer jobs to lower cost areas.

In company financials "Cash is King". The cash flows of a company is fundemental to the valuation. Of course the cash flow will not be impacted by a cosmetic change such as this and therefore there is no need to make this change

Options should not run through the income statement because it is not an expense. It is purely a balance sheet transaction and should remain that way.

The valuation and impact of options has been disclosed for years in a footnote. So if this information is sought it can be found. Generally, this footnote is not used by the investment community because the impact is already accounted for in their modeling and the valuation method is not accurate.

Changing this regulation is a mistake. No changes is needed and no change should be made.

Sincerely,

Greg Barrett  
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