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Letter of Comment No: 3661  
File Reference: 1102-100

**From:** Brad Kelemen [Brad.Kelemen@Sun.COM]  
**Sent:** Friday, June 11, 2004 1:11 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

June 11, 2004

Mr. Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Chairman Herz:

I am writing to you regarding the Share-based payment proposal (File Reference No. 1102-100). As a person who has spent most of his adult life (17 years) in the technology industry I have first-hand knowledge of the impact of stock options as an employee as well as a stock holder. Based on this knowledge I agree that abuses have taken place with regard to stock options and that greater transparency is needed. However, I do not believe that the aforementioned proposal solves the problem. In addition the proposal will have negative consequences. The proposal is so complex that manipulation is inevitable and transparency will be lost both due to manipulation and complexity. My major concern is that employees will lose their best chance of participating in the rewards that capitalism offers. The ramifications of this loss are tremendous. The phenomenal and unprecedented growth and dynamism that the tech industry has provided is largely a result of employees and entrepreneurs making large sacrifices in order to get a chance to obtain rich rewards. The proposal would unavoidably reduce the availability of stock options; hence, many employees would lose the key incentive driving the technology juggernaut.

Thanks for your consideration in reading this email,

Brad Kelemen

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