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Letter of Comment No: 2400 File Reference: 1102-100

From: Sent: chris\_peterson@securecomputing.com Thursday, May 13, 2004 2:44 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. It's not often that I get on any public policy band wagons. However, I feel a strong need

It's not often that I get on any public policy band wagons. However, I feel a strong need to join the rally against proposed Federal Accounting Standards Board ("FASB") regulations that would mandate expensing of employee stock options and employee stock purchase plans.

The impact of this FASB proposal on all US businesses would be to reduce the Company's earnings by the estimated value of options granted during the accounting reporting period (quarter or year). I emphasize "estimate" because the proposal is to do just that, attempt to establish what the value of the options will be when exercised in the future and then take that estimate and reduce earnings accordingly. Not a good approach in any way shape or form in my view.

I believe much of the dominance that our Country enjoys today is directly attributable to the tremendous success of our technology industry. The leaders of the technology industry such as Intel, Microsoft, Cisco, Dell and many, many more would be, in my humble view, mere shadows of themselves if this proposed approach would have been the "law" over the last 30 years. Without the huge contributions of stock options to their success and the success of their employees we would be perhaps looking to Japan for leadership in Microprocessors and France in networking, etc.

Indeed, I believe what we refer to as "Silicon Valley" would still be mostly fruit orchards if not for the dynamic environment driven by stock options.

I believe FASB is proposing to shoot the "goose that lays the golden eggs" for America.

Sincerely,

Chris Peterson 1855 Gateway Blvd. Suite- 200 Concord, CA 94526