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Letter of Comment No: 2357 File Reference: 1102-100

From: dave@socketcom.com

Sent: Wednesday, May 12, 2004 12:00 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 am the Chief Financial Officer of a small public high technology company that employs a broad-based stock option plan to motivate and retain its employees. The broad-based plan has been highly effective to the benefit of the Company's shareholders. We currently disclose the amounts that would be expensed in the footnotes to our financial statements. The proposed rules to expense these stock option grants will materially and negatively affect our reported results and may result in the termination of our use of this broad based incentive tool. We encourage you to retain the current standard of footnote disclosure.

Sincerely,

David Dunlap Socket Communications, Inc. 37400 Central Court Newark, CA 94560