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Letter of Comment No:2344

File Reference: 1102-100

From: richter@rfm.com
Sent: Wednesday, May 12, 2004 10:01 AM
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 a shame that the scandals of the Enron and WorldComs of the world have to destroy the benefits that so many employees have enjoyed...the benefits of stock options and Employee Stock Purchase Plans. Our company is small, and it's difficult for us to compete on base salary with Texas Instruments, Dallas Semiconductor, ST Microelectronics, and other large electronics manufacturing companies. We can, however, compete with them by offering a broad-based benefit package which includes stock options and Employee Stock Purchase Plan. Additionally, during the downturn in the economy in 2001 and 2002, when our company was not profitable and we could not give salary increases, we were able to keep our employees motivated by giving them stock options. Now that the economy has improved and stock prices have risen, including the stock of our company, many of these options have been exercised. Our employees have been grateful for the extra cash to have for necessities like medical expenses, increased insurance premiums, liquidation of debt; or for extras that they would not have otherwise had the money for like a down payment on a new car or new house, a sprinkler system at home, etc. Bottom line is, if the FASB initiative to expense stock options and stock related to ESPP plans is passed, small companies like ours will not be able to afford to continue giving stock options or offering an ESPP. The cost of expensing these benefits will be too exorbitant. As a result, retaining employees and attracting new prospects will be very challenging. I urge you to reconsider your position on this matter and rescind this proposal.

Sincerely,

Debbie Richter
4441 Sigma Road
Dallas, TX 75244