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Letter of Comment No: 2338
File Reference: 1102-100

From: kelly.marcum@powerint.com
Sent: Wednesday, May 12, 2004 1:39 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 recently moved from New Mexico to California. I moved to California because the high-tech company I worked for in New Mexico shut down their operations. New Mexico has a relatively low cost of living. California is extremely high, however, California has a large amount of high-tech employment that I needed. The only way I could afford to move to California was because of the possibility of receiving stock options from my new company. Since moving to California I have used my stock options to buy a house. Without stock options I would not have considered this move. Also, I consider stock options as a great profit sharing program. The value only increases as the company improves. Stock options are a great social leveling tool. All employees at all levels in our company receive stock options. I understand the theory behind expensing stock options. If you look only through the theory blinders everyone will make the same decision. What you are missing is the social implication. I can guarantee that removing stock options from an employee's portfolio will harm the employee, and usually at a lower level than the CEO/CFO level that you are trying to impune. I would recommend a change in your recommendation to a middle ground of maybe stating how many shares are outstanding and what the value at issue was, not the predicted value.

Sincerely,

Kelly Marcum
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Morgan Hill, CA 95037