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Letter of Comment No: 4028
File Reference: 1102-100

From: Rick Foreman [Rforeman@ionamerica.com]
Sent: Tuesday, June 15, 2004 1:06 PM
To: Director - FASB; jcdowling@nvca.org
Subject: Comments on expensing stock options (File Ref 1102-100)

To: Financial Accounting Standards Board
From: Rick Foreman
Re: Request for comments; File Reference No. 1102-100 (Expensing stock options)

I am currently Vice President of Finance & Administration for Ion America Corporation ("IA"), a private startup company with 30 employees, 90% of whom are engineers. I am convinced that we could not have assembled such an outstanding team without a broad-based stock option plan. Every IA employee has been granted stock options. As a result, they view themselves as owners and treat the company's funds as frugally as if it were their own money. Further, the long-term nature of the rewards from our five year vesting schedule aligns the employees' projects and career goals with the overall strategic objectives of the company. It is also a disincentive to job-hopping, creating a more stable business environment and a better chance for long-term success. Everyone clearly understands that if the company does not succeed, their stock options have no value.

I have also had the opportunity to work at 2 other successful technology companies, Cypress Semiconductor and C-Cube Microsystems. In both cases, I joined at an early stage and participated in the building of two great companies. And again in both cases, every employee received stock options as a long-term incentive. While it takes years to know whether an employee's options will have tangible value, the motivation to achieve success based on that hope begins immediately. Even during the difficult times which every company faces, employees will say "if we can get our company back on track, our options will have significant value again." That is a tremendous motivator for many people in difficult financial times.

As a person who has had the good fortune to work at such companies, I strongly believe that broad-based stock option plans are a direct contributor to the success of the companies and their entire industries. Would Silicon Valley, "Route 128", Silicon Gulch, Silicon Alley, and numerous other high technology areas be providing the level of employment for skilled workers without the use of broad-based stock option plans? I don't think so.

Let's not allow a few incredibly greedy executives of the recent past bring down the technology engine that is America's future.

Sincerely,
Rick Foreman
Vice President of Finance & Administration, Ion America Corporation

6/15/2004