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From: michele.rae@palmone.com

Sent: Wednesday, May 19, 2004 12:56 PM

To: Director - FASB

Subject: File Reference No. 1102-100, Comment on FASB Stock Special Troposal



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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 writing to express my strong opposition to proposed rules requiring companies to expense stock options and ESPPs! Companies may be forced to cancel these valuable benefits since they would dramatically and unnecessarily affect their bottom line. Elimination of this benefit will, in my opinion, in the long run make US Technology companies less competitive and less able to attract best and brightest talent, since it elimnates major motivator and attraction and retention tools. For me and my family personally, loss of stock options and/or ESPP as benefit would have dramatic negative impact.

Letter of Comment No: 25 98 File Reference: 1102-100

Expensing options would NOT achieve intended goal of clarity of financial statements. Instead they would give investors a misleading picture of performance. Companies already disclose estimated value of stock options in financial statements as expense or as footnote.

Please, please do not require expensing of stock options and ESPPs.

Sincerely,

Michele Rae 5343 Ligurian Dr San Jose, CA 95138