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Letter of Comment No: 2488
File Reference: 1102-100

From: bhaaser@echelon.com
Sent: Monday, May 17, 2004 4:52 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. Having spent the last 20 years living and working in various high tech companies in Silicon Valley I can tell you that stock options are a part of life. Stock options play a critical role in the compensation programs of most companies, because they help off-set the high cost of living here. They also provide a strong motivation for us to work longer hours to help our companies succeed. For new companies stock options provide incentives for people to assume the financial and career risks associated with new ventures.

The proposed changes by FASB will make it virtually impossible to hire good employees in the high technology industry. As a result of the changes we will lose our ability to compete, forcing us to lose marketshare to emerging players around the globe.

While I understand the broad concerns of measuring the impact of executive compensation in financial statements, the proposed changes are not the right solution. I strongly encourage you to reconsider this rule change. If this passes in its current form it will devastate the high tech industry as we know it.

Sincerely,

Barry Haaser
550 Meridian Avenue
San Jose, CA 95126