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Letter of Comment No: 2439 File Reference: 1102-100

From: Sent:

jd.phillips@radisys.com Friday, May 14, 2004 6:18 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. This amendment sounds like it's going to create a great deal of complication and add a large amount of accounting errors on a company's books. How can a company accurately expense something when it's value changes from minute to minute? Not only that, but it seems that this amendment would create opportunities for "creative" accounting practices for less scrupulous corporations.

I am sure that this amendment looks really good on paper, but on paper communism looks like a good idea. The problem is that when the idea is taken from the ideal world created on paper and placed in the real world the end results are usually very different. Just like human nature will not allow the communist idea to work in the real world, corporate nature will not allow this amendment to work in the real world.

The corporate nature is to make lots of money. Corporate nature does not respond well when something affects their ability to make lots money. Most likely this amendment will result in corporations reducing or eliminating their stock option programs. These programs create income that employees count on for things like purchasing homes, sending their children to college, retirement, etc.

Some corporations may even consider sending more jobs overseas to compensate for the adverse effect this amendment will have on their bottom line. Remember that the corporate nature is to make lots of monev.

In closing I would just like to encourage you to consider how this amendment will work in the real world and to remind you that you that the corporate nature is to make lots of money. I personally believe that this amendment is a bad idea.

Sincerely,

Jack Phillips 11490 SW Duchess Way Beaverton, OR 97008