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Letter of Comment No:2267
File Reference: 1102-100

From: Laura Bright [lbright@powerint.com]
Sent: Thursday, May 06, 2004 1:18 PM
To: Director - FASB
Subject: File No. 1102-100
Importance: High

Dear Sirs;

I am writing to you as a Stock Plan Administrator and would like to share my comments in reference to expensing shares purchased via Employee Stock Purchase Plans. ESPP as it is today is a very important value for our employees. We are a small company in the technology field with approximately 300 employees of which 77% participate in the program. As the company's Stock Plan Administrator I see how these employees use the shares purchased in the ESPP program. We have approximately 106 employees who earn less than 60k a year, (in the Silicon Valley this salary is very hard to live on) and rely heavily on the profit they can potentially make through the ESPP program. Employee's use these profits to put down payments on homes, pay for their children's college tuition, pay their property tax, take their families on a vacation, or buy a car. All these things they would not be able to do without the benefit of the ESPP program. I understand the argument that since this discount is not given to all shareholders than this is a benefit of being an employee of our company and therefore is compensatory and should be expensed. Using that logic, then company Christmas Party's, Summer Party's, Health Club discounts, tuition assistance, and referral fees offered by most companies should also be expensed as this is a benefit of being an employee of our company. DOES THAT MAKE SENSE TO YOU? No, and neither does the argument that ESPP shares should be expensed. All companies offer all sorts of fringe benefits to current employees and prospective employees to retain them and to attract them to our company. It would create an enormous turnover in our industry and create an unfair job market between large and small companies in the same field because large companies can afford the expense and small companies can not.

I URGE you to allow companies to continue to offer ESPP programs as they are today. Eliminating this benefit would dramatically hurt our employees financially, especially our test floor operators as they rely on this program just to survive. Taking this benefit away will not hurt upper management or avoid Executives from making large sums of money. This will only hurt the small guys and throw more employees into the poverty level. Creating the need for them to rely on public assistance, such as welfare.

PLEASE do not focus on executives when discussing this issue. PLEASE consider the average blue collar worker.

Please consider alternatives instead of ,if you offer a discount you must expense if you don't offer a discount there is no need to expense. It would be nice if you could give companies a choice such as:

- 1)If you offer a discount with a look back provision than you must expense.
- 2)If you offer a discount no more than 15% with no look back provision and a 6 month term than you do not have to expense.

Thank You for your Time,

*Laura Bright
Power Integrations
Payroll/Stock Administration
(408) 414-8868 - Office
(408) 414-8968 - Fax
lbright@powerint.com*