Letter of Comment No: 2657 File Reference: 1102-100

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From:

jlg@silabs.com

Sent: Thursday, May 20, 2004 7:59 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. There appears to be an over-reaction to the most recent accounting scandals that is prompting FASB 'clean up accounting practices'.

The proposal to 'expense' stock options will have an ugly side effect to many high-tech firms. Stock options are primarily used to give employees like myself, an incentive to make sure the company does well financially.

Stock Options work very well at Silicon Labs. The employees to this company has highly motivated employees.

By 'expensing' stock options, the company will now have a disincentive to issue these stock options to their employees. The only people who will lose this valuable benefit will be the "small guys" like myself. Once stock options become 'expenses', stock options will only be issued to benefit the top executives.

May I remind you that your 'intention' is to ensure that the top executives are 'accountable'? They're NOT going to be affected. I am.

I am highly opposed to this change. Stock options are already disclosed in our company's statement.

There is really no need to overreact to the accounting scandals. Please do not expense stock options.

Sincerely,

Jeff Gokingco Silicon Laboratories 11217 South Bay Lane Austin, TX 78739