ikon From:

Letter of Comment No: 2707 File Reference: 1102-100 iinaxue@mxim.com

Monday, May 24, 2004 2:11 AM Sent: To:

Director - FASB

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



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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 work for Maxim Integrated Products, Inc., a company that grants stock options broadly to employees . . . not just to executives. The Financial Accounting Standards Board (FASB) is in the process of proposing a change to accounting standards that is misguided and clearly damaging to the United States economy. As an employee who receives stock options from my company, I am writing to voice my support for the Broad-Based Stock Option Plan Transparency Act (S. 979 and HR 1372) and the Stock Option Accounting Reform Act (S. 1890 and HR 3574). I am asking you to support these important bi-partisan bills. These bills seek to delay the implementation of mandatory stock option expensing for broad-based employee stock plans, as proposed by FASB. This additional time will allow Congress, the SEC, and FASB to better understand if there are indeed benefits from this significant change and the true extent of the economic impact that this new policy will have on companies like mine. I joined Maxim seven years ago and it's my first job. I appreciate the fact that my company offers stock options to employees like me who are NOT senior executives. Stock options are important to me and my family and are a significant benefit that gives me ownership in my company. They provide a great incentive to all employees at my level by giving us an important stake in the company. The economic contribution that high-tech companies have created flow in large measure from the role that stock options have played in establishing an entrepreneurial risk-taking culture that drives innovation. I believe that compelling companies to expense options will have a negative impact on an extremely useful tool that has been used by companies like mine to create the strong American economy that provides growth leadership to the entire world. Please don't let that happen. The changes being proposed by FASB would also impact Employee Stock Purchase Plans (ESPPs) that allow eligible employees to purchase company stock at a discounted rate. My employer offers employees like me a 15% discount on company stock under these plans, but the proposed changes would force companies to expense stock discounted at this rate. The prospect of creating a financial statement expense by these plans runs counter to the objective of these types of programs to create broad employee ownership of the companies for which they work. Please don't let the accountants at FASB harm broad-based stock option plans. These changes affect people like me and will reduce growth and the economic vitality of our country.

Sincerely,

Jing Xue Senior Member of Technical Staff Test Systems Development Maxim Integrated Products 503-547-2231(Voice)

Sincerely,

Jing Xue Maxim Integrated Products, Inc. 16662 NW OAKRIDGE DR. PORTLAND, OR 97229-7373, OR 97229