ikon

Letter of Comment No: 2700
File Reference: 1102-100

From: smheckert@hotmail.com
Sent: Sunday, May 23, 2004 12:09 PM
To: Director - FASB
Subject: File Reference No. 1102-100, Comment on FASB Stock Option Proposal

InterScan_SafeStamp.txt (296 B...

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 believe the idea of expensing stock options is a mistake. FASB's decision to do this comes on the heels of several corporate scandals. Expensing of stock options is intended to show the "true cost" of giving out options to employees and curtailing executives' desire to manipulate stock prices for short-term exhorbitant gains. What will be the end result? Executives will receive the same amount of stock compensation they always have in one form or another. It is the every day employee that will be hurt. Unfortunately, people like me. I moved to California from Illinois to work in high tech, more specifically to see a direct correlation between the success of my company and my bottom line. I think the system works. I do operate like an owner of my company (which I am). If this proposal passes that will no longer be the case.

Also, what will happen to innovation? Why would anyone join a young company and take on the risk of developing a cure for cancer or identifying new and better ways to communicate with each other if the risk is greater than the potential award. Answer? There will be none. I am afraid of the personal effect this will have on me and my family as well as the impact on future of technology as a whole.

Sincerely,

Stephen Heckert
JDS Uniphase Corporation
10255 Hillcrest Rd.
Cupertino, CA 95014