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Letter of Comment No: 2359
File Reference: 1102-100

From: rp4038f@yahoo.com
Sent: Wednesday, May 12, 2004 12:37 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. As a middle class engineer working for a small innovative high tech company (Power Integrations), I am writing to you to express my view against expensing stock option.

Like many workers in my category, I took a big risk (financially) when I left a large high tech company to join a small company in the hope that my drive and innovative nature can make a larger impact in creating innovative products and in return, I would be rewarded financially if our products become successful in the market place. The financial reward is in the forms of stock options and employees stock purchase plans where employees can purchase our company stock at a discount. In our company of 260 people, every employee is awarded with stock options as our CEO believes that there is no better way to run a business than having each employee feels like he/she is running his/her own business. We all work toward the same goal because we all own a piece of the company and reap the benefit of our hard work.

Expensing stock options is detrimental to a small company's finances. Our company's book will likely show a breakeven balance sheet at best instead of being profitable like we are today. Our company will no longer issue new stock options and abolish the employee stock purchase program if stock options were expensed, both types of benefit make up a significant portion of the employees's income at our company. The lack of financial rewards will adversely affect our drive in working hard and squash the spirit of innovation, both attributes in Americans are what make America so great. We have the latest and greatest technology at our fingers' tips because our society foster the innovative spirits in the young minds. Everyone can succeed if he/she works hard. The creation of small companies around the country is a testimony of the drive and innovative nature of the American people, we should not create laws to squash that spirit. Otherwise, we would become like Europe.

Sincerely,

Jane Tu
1570 Trevor Dr,
San Jose, CA 95118