## ikon Letter of Comment No: 2569 File Reference: 1102-100

From: linda.ferreira@jdsu.com

Sent: Tuesday, May 18, 2004 8:31 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. I have been receiving stock options for 20 years now. Sometimes these options end up generating some additional income but frequently they do not as the stock option is priced much higher than the market price once the options vest. It seems to me that having the company report the current value of options would be misleading to investors since the value of the stock option only becomes important at the point of sale.

Typically, options are used as in incentive to retain employees and are in lieu of profit sharing, bonuses, etc. I have been fortunate enough to have made some money on my options over the years, but have paid dearly in income taxes (50% between state & Federal taxes). This extra income has allowed me to supplement my 401K in preparation for retirement. With this retirement fund stashed away, I will not be a burden on the social security system when the time comes. It has allowed me to own a home as a single mom. I have not gotten rich off them, but they have made a difference in my life. They have also enabled me to support charitable organizations in my area and to help my other family members that were severely affected by the general economic slowdown of the last couple of years. changing the accounting rules in this manner will basically eliminate options and eliminate all the good that comes from them as well.

Please do not require reporting options as expenses.

Sincerely,

Linda Ferreira 39 Charlton St. San Carlos, CA 94070