Stacey Sutay

From:

Eric Battilega

Sent:

Monday, April 19, 2004 8:04 PM

To: Director - FASB

Subject:

Comments for File Reference No. 1102-100

Letter of Comment No: 404

File Reference: 1102-100

To: Chairman Robert H. Herz, FASB

From: Eric Battilega

5367 Beech Grove Court San Jose, CA 95123

Dear Chairman Herz,

As a "rank and file" non management employee of a world leading U.S. based technology company, I urge you to not require the mandatory expensing of stock options. I strongly believe such action would result in unnecessary harm to me and my family, the shareholders of my company, and the leadership position our country has in the world economy. I know those sound like quite bold statements, but I can assure you that I have personally witnessed the tremendous value and strength of employee ownership in driving performance for shareholders. I am convinced that mandatory expensing using theoretical variable models will force a reduction in broad based employee ownership. Shareholders want transparency and consistency, and companies will not be able to provide either if they are forced to apply theoretical variable models to their financial statements. Both rank and file employees like myself and shareholders will be harmed in the process.

I agree that stock options do indeed have an impact to shareholders. They clearly dilute the earnings per share, and should properly be accounted as such. I urge you to use dilution per share as the straight forward and transparent way of showing the full impact to shareholders.

Sincerely,

Eric Battilega