

From: trixhoang@yahoo.com
Sent: Tuesday, June 01, 2004 9:00 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. Under the proposed rules, if stock options are granted, they must be accounted for in the company's financial statements as an expense to the company. If this proposal is implemented, this new procedure will have a dramatic negative effect on reported earnings for companies that operate broad-based stock plans. Stock options have been considered as an incentive for attracting new employees as well as retaining employees. For employees, these options are considered as second source of income which that employees are taking chances now with lower salary (companies which do not give out stock options generally offer higher compensation package) in hope that stock will go higher in the future. If this rule passes, it will reduce the company earning and therefore has negative impact on companies' stock price. This, in turn, will affect all employees total income.

Sincerely,

Tim Hoang
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