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From: pmcelheny@aol.com

**Sent:** Wednesday, June 02, 2004 10:55 AM

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 strongly oppose the expensing of stock options. I work as an engineering manager for a high tech company, and the stock options I receive have been very important to me, allowing me to buy a house and plan for a better retirement.

Letter of Comment No: 3047

File Reference: 1102-100

Also, in the early 90's I worked in Japan and made a number of good Japanese friends. They all told me that a big disadvantage in Japan is that they have no strong venture capital system including the prospects of options to attract qualified people to take the risk of starting a new company. To them, this strongly limits Japan's potential & is one of the most attractive features of doing business in America. I am afraid that under the proposal to expense stock options, there will be a huge adverse effect on America's competitiveness in the high tech industry since the value of risk-taking will be greatly reduced.

Sincerely,

Peter McElheny Altera Corporation 16705 Lone Hill Drive Morgan Hill, CA 95037