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Letter of Comment No: 2739 File Reference: 1102-100

From:

mark booth@inter-tel.com

Sent:

Wednesday, May 26, 2004 11:17 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.

The current proposal, if it were to be impressed upon companies, could critically halt a large number of benefits received by employees. Employee stock options and ESPP's are a crucial part of any professional's benefit package. The estimated value of options are already disclosed in financials, and changing how it is currently presented would only help to confuse potential investors. Forcing companies to remove their stock option plans (to avoid confusing the investor) would have an extremely adverse effect on the typical American worker, and in turn the economy of the USA.

Also in addition, the proposed requirement to estimate the value of options using the Black-Scholes (or another binomial option model) does not work, as these models were only developed to price short term, publicly traded options, which are not the same as the options that are being made available to the majority of option receiving employees.

Sincerely,

Mark Booth Inter-Tel, Inc 7300 W Boston St Chandler, AZ 85226