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Letter of Comment No: 6
File Reference: FSP123RBU
Date Received:

September 13, 2005

Lawrence Smith
Director of Technical Application and Implementation and EITF Chair
FASB
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Grant Date for Equity Awards Under FAS 123(R)

Dear Mr. Smith:

As a company where every employee is eligible to receive a stock option, we are significantly concerned with the FASB staff's potential re-interpretation of the determination of grant date under FAS 123(R). Once approved by the Board of Directors, grants at Synopsys are never changed for any reason, including employee termination. All grants have the same basic terms and conditions; the only variable is that new-hire grants have a standard vesting template that is different from the one used for follow-on grants. The vesting schedules are well-known to everyone in the company and copies of the option plans under which grants are issued are available to everyone on the Shareholder Services website.

New hires are advised of the number of shares they will be granted at the time they receive offer letters; existing employees are informed of the number of shares by their managers following Board approval. All employees then receive a communication from Shareholder Services directing them to a vendor website that provides confirmation of the grant information previously communicated to them along with instructions for grant acceptance.

Requiring notification to the employee following Board approval but prior to establishing the grant price appears to add no additional value to our existing process. The additional notification would involve significant expense, estimated at 24 hours per year based on our current monthly grant schedule, with no discernable benefit to optionees, and delay getting grant-acceptance information to employees.

We ask that you give consideration to continue to follow the traditional interpretation of grant date as the date of Board approval.

Sincerely,

Stephen Buckhout
Chair, Synopsys FAS 123(R) Implementation Team