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Letter of Comment No: 2599
File Reference: 1102-100

From: david.woods@palmone.com
Sent: Wednesday, May 19, 2004 1:17 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. I believe it would be a huge mistake to adopt the recently proposed changes to the accounting rules for stock options and ESPPs.

These are critical elements of the compensation package offered by exciting, growing companies in the high tech industry, where many companies aren't able to offer competitive salaries and instead rely on the potential future value of stock and options as alternatives forms of compensation.

The proposed rules will no doubt force a large number of companies to eliminate these programs. Doing so will make it much more difficult to attract and retain talented employees, thereby stifling the innovation and technological advancements that have been so important to our overall economy.

Sincerely,

David Woods
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Milpitas, CA 95035