

ikon

Letter of Comment No: 2446
File Reference: 1102-100

From: barbara.mayo@jdsu.com
Sent: Friday, May 14, 2004 5:31 PM
To: Director - FASB
Subject: File Reference No. 1102-100, Comment on FASB Stock Option Proposal



InterScan_SafeSta
mp.txt (296 B...

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. As an employee who has had the good fortune to benefit from equity compensation plans, I urge you to reconsider your proposal to expense options. There is no doubt in my mind that most companies will scale back their option and purchase plans. I have worked for several high-technology companies in Silicon Valley as an investor relations specialist, and I know that companies use options to attract and retain top people. Without options, companies will need to pay higher salaries, and those salaries will not be as closely tied to performance. Employees with options have a stake in their company's success in a unique way.

As you know, companies are already required to disclose the estimated value of options. The means that companies would have to use to estimate the value of options under the proposed regulation would provide a distorted result. In the long run, no one will benefit from this: neither the stockholders nor the employees nor those who are seeking to improve corporate governance.

Please do not give in to the hysteria of the day. Say no to expensing and strike a blow for sanity, common sense, and American capitalism and entrepreneurship.

Sincerely,

Barbara Mayo
678 Choctaw Drive
San Jose, CA 95123