Letter of Comment No: 5669 File Reference: 1102-100

ikon

From: Director - FASB

Sent: Tuesday, June 29, 2004 11:49 AM

To: ikon; Karen Salmansohn

Subject: FW: Comments Regarding Proposed Accounting Changes for Stock Options

----Original Message----

From: Tessitore, Ron [mailto:rontess@qualcomm.com]

Sent: Tuesday, June 29, 2004 11:48 AM

To: Director - FASB

Subject: Comments Regarding Proposed Accounting Changes for Stock Options

Dear FASB.

I wonder if you are truly considering the negative impact your proposed accounting changes will have on the vitality of high tech industry in the USA?

One of the driving factors that has kept our nation ahead in high tech is the sprit of entrepreneurial leadership in both start-ups and larger companies who's employees have been motivated by stock options. Your new accounting standards for the expensing of stock options are not giving shareholders an accurate representation of corporate financials or shareholder equity. The psychological effect the of the double counting (new FASB + dilution), is likely to give investors a false pessimistic view of earnings per share and hence curtail the distribution of options.

Sincerely,

Ron Tessitore