

ikon

---

Letter of Comment No: 5639  
File Reference: 1102-100

From: Tim Tam [tamtam@iwon.com]  
Sent: Monday, June 28, 2004 12:21 PM  
To: Director - FASB  
Subject: Stock Options Expensing (File Reference No. 1102-100)

Dear Chairman Robert H. Herz,

I am writing you to ask that you please support NOT expensing stock options.

Employees of high tech companies typically do not have a pension or defined benefit plan. We have a 401K plan and stock options serve as complimentary component to our long term compensation. As globalization continues to expand and companies throughout the world make competing high tech products, the added burden of expensing stock options puts American companies at a clear disadvantage to future potential powerhouse companies from Asia Pacific. Entrepreneurial leadership and technical innovation has always been a hallmark of Americans and American companies. This is not the time to tinker with what has worked so well for the individual high tech worker. If options are mandated as an expense then it is the individual contributors or the vast majority of high tech workers that will be impacted the most. Executives at Enron and others companies who abused the system are people who knowingly committed acts of fraud. It does not mean the entire system is broken. Punish the executives and individuals that committed the acts of fraud. Don't let a few bad apples spoil the entire compensation structure that has worked so well for most workers.

I make all my existing financial obligations such childcare, mortgage, food, and transportation etc. with my salary. Stock options are the major component of my long term savings plan to pay for college education, an eventual replacement car for my growing family, braces, and savings for a rainy day. Without stock options I am barely able to keep up with today expenses, much less plan or save for the future. Furthermore, stock options provide me with the best and probably only chance to "own" a piece of my company. As an employee-owner, I look and treat my workplace different. I care about whether we do things in the most efficient manner b/c I have a vested interest in the company performance (bonus, stock appreciation, job longevity). These attitudes promote employee ownership at all levels in the organization. Stock options do make a difference by creating a competitive advantage for the companies that offer them against companies that compensate strictly by salary alone.

Thank you for your time and consideration,

Tim Tam

1 Cymbidium Circle

South San Francisco, CA 94080

tamtam@iwon.com

---