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From: Eric Chen [eric.chen@exar.com]

Sent: Wednesday, May 19, 2004 12:46 PM
To: Director - FASB

Subject: file reference No. 1102-100

To whom it may concern,

This is to show my concern and objection to expense the stock options for accounting rules. I believe broad-based stock options plans foster innovation, a principle on which NASDAQ and our companies across all business sectors have been founded. Options have proven to be a valuable tool to increase jobs and grow the U.S. economy. For example, options enable small companies to attract talent and grow, and help companies of all sizes to better align the interests of their employees with the interests of their companies. FASB's plan has critical flaws, particularly in valuation models, and is more likely to confuse investors than clarify company finances.

Letter of Comment No: 2533, File Reference: 1102-100

Eric Chen EXAR Corporation