

**Karen Salmansohn**

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**From:** Director - FASB  
**Sent:** Friday, January 31, 2003  
**To:** Karen Salmansohn  
**Subject:** FW: Invitations to C

**Letter of Comment No:** 134  
**File Reference:** 1102-001  
**Date Received:** 1-31-03

-----Original Message-----

**From:** Steve Quist [mailto:squist@cyberoptics.com]  
**Sent:** Friday, January 31, 2003 1:26 PM  
**To:** Director - FASB  
**Subject:** Invitations to Comment

Dear Director,

Speaking as a Director and former CEO of CyberOptics Corporation (NMS: CYBE), I would like to comment on the proposals by FASB to require NASDAQ listed companies to expense employee stock options.

CyberOptics is a capital goods supplier to the highly cyclical electronics and semiconductor manufacturing segment and as such experiences large swings in its revenues and earnings, and consequently its stock price. We are concerned that valuing the stock options granted to employees, in our case, will be problematic and very difficult to do with any level of accuracy. Further, the company relies on its stock option program to both attract and to retain critically skilled scientific and engineering talent. In addition, the company has a very egalitarian culture in which it is standard policy to issue stock options to EVERY CyberOptics employee. As a result all 170 CyberOptics employees in all parts of the country and the world for that matter, own some CyberOptics shares. In fact, less than 20% of the stock option shares granted to employees have been granted to the executive officers, most are in the hands of regular employees.

If companies are required to expense stock options as proposed, in all likely hood, CyberOptics will be forced to revise its generous use of stock options for all employees and perhaps not use stock options at all for its intended purpose. I believe that this would be most unfortunate for both the company and its employees and unfortunate for its shareholders as well with whom we are attempting to align our employee's interest.

I sincerely hope that this perspective is taken into account in evaluating these proposals.

Sincerely,

Steven M. Quist  
Director and Former CEO  
CyberOptics Corporation  
5900 Golden Hills Drive  
Golden Valley, MN 55416