

From: kenn@altera.com
Sent: Tuesday, June 01, 2004 9:54 PM
To: Director - FASB
Subject: File Reference No. 1102-100, Comment on FASB Stock Option Proposal



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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. Dear Mr. Herz,

The FASB Stock Option Proposal will negatively effect my company and will significantly reduce the amount of stock option granted to its employees. There are four reasons the stock option expensing is bad for the high tech industries and the US economy:

- Stock option saves company money and expensing it will make it more costly to company to do business.
- Employee will be less loyal to company and will change job often.
- Remove incentives to work hard.
- Due to the reasons above, company will be less competitive and thus, the US economy will suffer.

Stock option saves company money and expensing it will make it more costly to company to do business Most high-tech companies do not offer retirement benefits such as pension anymore. They are saving the cost of pension by giving out the stock option, and it helps their bottom lines. The workers accept the risk of not having a pension in retirement by accepting the stock option with the hope that its appreciation in value will compensate them.

Employee will be less loyal to company and will change job often The main reason why I stayed with this company for almost 9 years is because of the stock option. Many times I have considered other venues, but the stock option is the most powerful force that keeps me here. The company does not doll out stock options out of kindness, but it does so to retain employees, and to motivate them to do their bests to make the company competitive. In high tech industries, the most valuable assess a company has is its workers, and the experience, knowledge and dedication of its employees. Without the incentive from the stock option, the workers will not be willing to make big sacrifices to work long hours, and they will opt to change job more often. Unlike the low the industries, such disruption makes the company less competitive as it would take a long time to hire and train someone to do the job well. In my work, it takes at least two years of training before someone can do the work satisfactorily.

Remove incentives to work hard

Without the financial incentives of the stock option, the worker will be less likely to be motivated to make sacrifices to the company. Personally, I have worked up to 80 hours a week plus weekends for months at a time to make sure that my project met the dateline. Without the stock option my company gave me, I would probably have changed my job to look for a less stressful place to work.

Due to the reasons above, company will be less competitive and thus, the US economy will suffer With the reasons mentioned above, I think that stock option is a powerful force to keep the US economy competitive. Unless we can remain competitive, we risk loosing our edge in the global race to remain ahead.

Please rescind your Stock Option Proposal as stock option is an excellent way to motivate the worker to work hard. It saves company money by not giving pension to employee, and it creates a stable workforce, which is very crucial in high-tech environment. Expensing the stock option will diminish these things and will result in a less competitive US economy. Thank you for your consideration.

Sincerely,

Ken Nguyen
Layout Supervisor
Altera Corporation

Sincerely,

Ken Nguyen
Altera Corporation
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