

Stacey Sutay

Letter of Comment No: 2268
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From: Ritchie, John TQO [jritchie@tqs.com]
Sent: Thursday, May 06, 2004 5:22 PM
To: Stacey Sutay
Subject: FASB requires companies to estimate an expense for stock options -- reference #1102.100

A note in regards to FASB ruling regarding expense of stock options:

I am an employee at TriQuint Semiconductor, and I am writing you in protest of your ruling regarding the mandatory expense calculation of stock options to employees. TriQuint issues stock options to all of its employees, not just executives. I work as an engineer and take full part in the employee stock purchase program here. I am proud to be able to invest in my own company and the program allows me to afford to do so.

My company has just informed me that if stock option expensing is mandated, they will have to make significant changes to my stock options and employee stock purchase programs. These programs are important to me because of the potential for stock ownership and long term financial planning. These programs have become part of my normal income and have helped me to get through this recession period without having to borrow money or financial hardships. Due to this we are now able to fuel the economy with purchasing power we would not have had if these stock programs were not in place. The abuses by companies such as Enron and Worldcom were fraud by management and had nothing to do with stock option expensing, and those people should be punished. We should not punish the "little guys" like me for those abuses.

Here are some other points worth noting.

*Expensing of stock options is wrong, it is flawed from an accounting perspective, it will harm every employee, and it will make the US less competitive on a global basis. *Some people have referred to the recent FASB ruling as the "Great Export Jobs Act of 2004" as it will put countries such as China and India in a better position as they have no plans to require companies to expense stock options.

*Stock options benefit all workers and the economy, the state and the nation. *Our competitors in China will not be expensing options.

*FASB requires companies to estimate an expense for stock options by use of an extremely complex financial model that requires companies to make a multitude of estimates about the future and to break down each option grant into 4 or more cells to calculate a cost. We would have over 2.4 million steps in the calculation all subject to estimates and errors.

*Furthermore, the FASB assumes that options have a fair value on the open market, when in fact they do not as they are not transferable and are subject to vesting and forfeiture.

I would greatly appreciate it if you would repeal this ruling and stop trying to break the back of hard working American Middle class folks that make up the majority of this great nation. You are not doing a service to in any way prevent fraud or stop corporate abuse. You are instead attacking the workforce that makes this economy and our great country run.

I will be looking for your common sense and continued service to our great country. Please promote the house and senate bills HR3574 and S.1890 to delay this ruling and evaluate these issues more fully.

Most sincerely,

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