ikon

From: Sent: Stacey Sutay

Wednesday, June 23, 2004 10:36 AM

To: Subject: ikon; Karen Salmansohn FW: Expensing Stock Options Letter of Comment No: 5173 File Reference: 1102-100

----Original Message----

From: Greg.Kelm@Mineralstech.com [mailto:Greg.Kelm@Mineralstech.com]

Sent: Wednesday, June 23, 2004 10:06 AM

To: Stacey Sutay

Subject: Expensing Stock Options

I am in favor of expensing stock options, and support your effort to do so in a fair and reasonable manner. I also believe that option awards should be expensed in the year they are granted, using some type of valuation model. However, it should not end there. Each year, as options are exercised (or cancelled), a "true-up" should be performed to reflect the actual expense (i.e., the gain realized by the optionee) vs. the estimated amount projected by the model. At the end of a given option term, the amount expensed would therefore exactly equal the amount of actual compensation given to the optionees.

Greg Kelm Fairfield, CT

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