JOHN B. ASHER
3801 MANCHESTER CIRCLE
PLANO, TEXAS 75023

Letter of Comment No: 4867
File Reference: 1102-100

June 28, 2004

Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Re: Exposure Draft 1102-100: Share-Based Payment
an amendment of FASB Statements No. 123 and 95
Issues 1, 2, and 3

Gentlemen:

I am writing this comment letter primarily from the point of view of a small individual investor.

"Issues 1, 2, and 3"

> Yes, I agree that employee services received in exchange for equity instruments gives rise to recognizable costs. I also firmly believe that APB 25 correctly recognizes those costs. The only such cost to the owners of the enterprise is the dilution (if any) created by the equity instruments to be issued. If and when the market price of the instruments actually exceeds the exercise price, under APB 25 **THIS ACTUAL OR POTENTIAL DILUTION IS REFLECTED IN THE INCOME STATEMENT IN THE ONE PART OF THE FINANCIAL STATEMENTS THAT EVERYBODY READS – DILUTED EARNINGS PER SHARE.** Further, I believe that it is axiomatic that also including a theoretical or estimated dollar expense in the income statement amounts to double-counting in calculating earnings per share – subtracting an amount from the numerator and adding an amount to the denominator to reflect the same non cash item.

For the reasons stated above, I believe that APB 25 is theoretically and pragmatically superior to FAS 123. I strongly urge you to leave APB 25 in place and to recommend that it be the preferred standard for measuring share-based payments. I am not aware of any empirical evidence indicating that we small investors will fare better under FAS 123.

Thank you for the opportunity to comment.

Sincerely,

John B. Asher

John B. Asher