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Letter of Comment No: 3973
File Reference: 1102-100

From: Patrick Storms [pstorms@shaw.ca]
Sent: Sunday, June 13, 2004 8:06 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I would like to ask that the FASB not push through the plan changes on employee stock options. I feel that this will hurt and cause more grief than benefit in the short or long term.

I do not agree with the statements that this is good for Corporate America. With the incorrectly high valuation of stock options that are proposed by the FASB will hamper or even eliminate stock options that companies look to use as a motivational and financial rewarding tool for their employees.

I do have a question for you. Do Stock options meet the definition of an expense? Even though they do not use company assets?

As well, with the cost of stock options, are they not already accounted for when they are exercised? And at the time of exercise are they not fully accounted for more accurately since they are sold at Market Price?

What about competition on the Global Market? We must take the view of a global stance, and not just for America. In other countries, like China for example, they do not treat them as expenses. Again, if we choose to incorporate the stock option plan as outlined by the FASB, this will hurt American companies, not help them.

With the expensing of stock options, this will have a dramatic impact on our high tech leadership that we have enjoyed for decades. If we do this and companies start having to expense options, then we will fall to the way side as technology experts will be easily lured away to other countries.

I hope that the FASB will reconsider it's stance on incorporating the planned option expense plan. This new accounting principal will hurt the economy more than any kind of benefit.

Thank you for your time and consideration.

Regards,

Patrick A. Storms