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**From:** Paul Giralt [pgiralt@mac.com]  
**Sent:** Thursday, June 10, 2004 8:43 AM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Chairman Herz,

I'm writing to you as so many others have done to request that you reconsider the current proposal on expensing stock options. I understand there is a desire by the public to "do something" after the recent scandals involving large companies like Enron and Worldcom, however expensing stock options is not the solution. Expensing options will not improve anything in the world of corporate scandals and will just serve to punish the individual contributors receiving the options - not the top executives who end up making millions after being fired because of golden parachutes.

Stock options is the reason I put in 110% every day - knowing that if the company does well, the stock will go up and there is something in it for me. Without the incentive of stock options this will just encourage mediocrity and doing just enough work to not get fired. The inability to use stock options will have a huge impact on innovation in this country as it will not allow startups to attract talent and successful companies to retain talented employees.

As if all of this is not bad enough, the currently proposed methods of calculating the valuation of an option are inaccurate at best. The actual cost of a stock option is already factored in as dilution of the stock and hence earnings per share. These are real numbers that investors can use to determine the value of a company and the effect of stock options - not some guess as to what an option is worth.

I understand there is great pressure to take a stand against corporate accounting scandals, but making those at the bottom who are able to use options to buy their first home or put their children through college makes no sense and will just lead to the downfall of the American economy in the face of increased competition from abroad.

Thanks for your time and I hope you seriously reconsider the ramifications of stock option expensing.

-Paul Giralt