

**ikon****Letter of Comment No: 2580**  
**File Reference: 1102-100**

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**From:** dposegate@homefederal.com  
**Sent:** Tuesday, May 18, 2004 5:16 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

**Comment on Expensing of Stock Options**

The true nature of expensing of stock options as proposed in your exposure draft takes the theoretical nature of an argument for expensing options to an extreme without regard for the economic nature of the change. More study is necessary to determine the economic impact of expensing of the economy as a whole. FASB needs to be mindful of the total impact of the autocratic powers possessed in order to justify the position taken.

Also, until a realistic value mechanism for such a restricted type of option where market forces do not determine the value of the option, where value determination does not allow for restrictions of transferability and where value is based on forecasted assumptions by management is better defined, we do oppose this initiative.

If FASB decides to move forward despite overwhelming disagreement, we support an approach for the accounting of stock options that provides for equitable accounting treatment across industries, ensures accurate measurement of the value of stock options, encourages compensation policies that align management's interest with the long-term interest of shareholders, and provides useful information to investors.

Thank you.

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