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Letter of Comment No: 2719
File Reference: 1102-100

From: gwoppman@asset-intertech.com
Sent: Monday, May 24, 2004 11:18 AM
To: Director - FASB
Subject: File Reference No. 1102-100, Comment on FASB Stock Option Proposal



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Dear Mr. Robert Herz:

I am writing in reference to FASB's invitation to comment on its exposure draft, "Share-Based Payment," an amendment of Statements No. 123 and 95. Guesstimating expenses is not a good path to go down. This is more significant for high-tech companies that want a way to incentivize their employees and have them participate in company ownership. Employees are not rich, so stock options are a unique tool, to move people up the wealth scale and encourage risk taking in our economy. Thus, high tech companies have a broad deployment of stock options for the employees. I think your focus is on the executives with stock options and that issue is a board/corporate governance issue more than an accounting issue and should be solve there. As an example, Nortel executives have been fired for overestimating their expense write-offs as they cut expenses, laidoff people, etc. and then reversing the overage to show a profit last year and get incentive bonuses based on profitability. I don't understand an accounting body wanting to go down the path of encouraging another estimating expenses tool to be enacted. Then when the stock option is exercised at some unknown time in the future the esitmte is corrected. Will we have more Nortel situations? Since no one can predict future stock prices, if the management does there best, but overestimates the cost do they get fired? Seems like lots of potential to play with numbers and thus, bad things can happen.

Seems you are on a path to create more problems and are not solving any problems.

Sincerely,

Glenn Woppman
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