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Letter of Comment No: 3270 File Reference: 1102-100

From: Matthias Loeser [Matthias.Loeser@gmx.net]

Sent: Monday, June 07, 2004 1:46 PM

To: Director - FASB

Subject: FASB File Reference No 1102-100 - Expensing of Stock Options

To whom it may belong:

I'd like to object to the FASB draft for several reasons.

Stock options have served as a significant tool to drive American high tech leadership, innovation and job creation. If implemented, FAS 123 will likely bring an end to broad-based employee stock option plans inside the United States.

Companies in the U.S. need broad-based employee stock option programs to compete with other countries on a global basis. Other countries, including China, do not expense stock options.

Stock options do not meet the definition of an expense because they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

Employee stock options are not freely tradable, are subject to forfeiture if an individual leaves the company, and are therefore impossible to value.

Without stock options, many goals (like buying a house, etc.) are made significantly harder to achieve. Stock options were one of the reasons I entered the high tech sector, because they help my family reach important financial milestones.

I urge you to not proceed with any plans to expense stock options.

Sincerely, Matthias Loeser

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