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From: Sent: Mark Kelley [Mark.Kelley@efi.com] Friday, April 30, 2004 3:55 PM

To: Stacey Sutay

Cc: Alok Gupta; Shriram Krishnan

Subject: ruling #1102-100



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I want to comment on rule 1102-100 expensing stock options.

I believe that stock options should be expensed. $\tilde{\text{I}}$ currently work for a high tech company with stock options.

Letter of Comment No: 2187

File Reference: 1102-100

Stock options are compensation and compensations should be expensed. It is unfair for general stock holders to have their shares diluted by companies giving out options to employees with no cost to the company.

The argument that companies can not account for the value of the options is a false argument. Companies have no problem figuring out how much to write off for the tax deduction they take. They also quickly claim how much they will loose in EPS if they have to expense options. How were they able to come to this estimate if, as they say, it is impossible to calculate.

Executives are by far the biggest beneficiaries of options. They do not want to loose the big cash cow. Options are creating a super wealthy class of people at the expense of the common share holder.

To be fair to the common share holders please enact expensing of stock options. Thanks