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Letter of Comment No: 2644 File Reference: 1102-100

From: Ken Sawyer [ken@saintsvc.com]

Sent:

Thursday, May 20, 2004 12:55 PM

To: Cc: Director - FASB jcdowling@nvca.org

Subject: File Reference No. 1102-100

Your current proposal is not well considered as it relates to expensing options for private companies. The value of a private company is difficult to estimate and revaluaing options every quarter for a company that has no third party "market value" creates an arbitrary, unreliable and meaningless calculation.

The cost of implementing these inaccurate valuation methods will be a much greater burden on startups and result in less money to spend on growing the business and which will not result in a better depiction of a company's economic health or more transparent financial statements.

I think that FASB's proposal if enacted as proposed will ultimately undermine stock options as a tool that has successfully aligned the interests of shareholders with employees and which has been critical in theability to foster the companies that have driven the nation's economic growth.

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