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Letter of Comment No: 2629
File Reference: 1102-100

From: VictorCasini@aol.com
Sent: Thursday, May 20, 2004 3:42 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear FASB:

I am writing as General Counsel of LKQ Corporation (Nasdaq: LKQX) to express my strong opposition to the FASB's proposed rule regarding the expensing of stock options.

Our Company, which sells recycled automotive replacement parts, has used a broad-based stock option plan to provide incentive compensation to a large number of our employees. We view stock options as a method to more closely align the interests of our employees with our stockholders. A rule requiring the expensing of options will discourage their use at companies like ours.

Moreover, the expensing of stock options is economically flawed for at least two reasons. First, the methods of valuing the options are not necessarily consistent and will lead to inaccurate comparisons among companies. More importantly, the cost of stock options is already reflected in financial statements in exactly the place it belongs -- through the calculation of diluted earnings per share.

Some of the regulatory bodies in the United States moved too quickly, in my opinion, in reaction to the corporate scandals of the last few years and enacted a myriad of less than ideal regulations. I would encourage the FASB to proceed cautiously with the proposal to require the expensing of stock options. This may be a situation where the rule would end up doing more economic harm than good.

Thank you for taking the time to consider my comments.

Sincerely,

Victor M. Casini
Vice President, General Counsel and Secretary of LKQ Corporation