Letter of Comment No: 569/ File Reference: 1102-100

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Len Tatore

From: Sent:

Wednesday, June 30, 2004 9:06 AM

To:

Stacey Sutay

Subject: FW: File Reference Number 1102-100, Stock Option Expensing

----Original Message----

From: John Hovan [mailto:jhovan@cox-internet.com]

Sent: Tuesday, June 29, 2004 1:45 PM

To: Robert Herz

Subject: File Reference Number 1102-100, Stock Option Expensing

Dear Chairman Herz,

As an employee of a fortune 50 computer company, stock options are an attractive compensation component for me personally. However, being also an investor of stocks such as Homestore combined with seeing the literally thousands of investors burned by activities at Enron and MCI, I am in full support of expensing stock options under the new FASB proposal. Having financial records that favor disclosure and conservative risk assessment in plain English are the only ways that those without PHD's in finance can interpret reported 10Q/10K statements and understand the "true" earnings of a corporation.

It is with great sadness that I read the hundreds of self serving letters from my colleagues at other tech companies who are more concerned about their personal wealth rather than honest disclosure of financial records for the masses. While it may be difficult to value unvested and outstanding options, it is the duty of honorable companies to provide the most transparent financial records as possible to it's shareholders.

It is my sincere hope that the special interests of those who responded do not misrepresent the views of the masses. I cast my vote for treating stock options as an expense and fully support the FASB's efforts!

Sincerely, John Hovan