Letter of Comment No: 2687
File Reference: 1102-100

May 21, 2004

A Smarter Vision®

Email: director@fasb.org

Re: Expensing of Stock Options (File Ref. 1102-100)

This letter is written to express my position against the expense of stock options.

1. Stock options are not the same as market traded options. There is no proven, valid model predicting the cost of stock options.
2. There is no proof that broad-based stock options are responsible for market scandals. Expense option of broad-based stock option programs will do nothing to eliminate future scandals.
3. Entrepreneurship is the best chance the U.S. has to keep jobs from moving overseas. Expense stock options will reduce entrepreneurship by eliminating option incentives. Millions of additional jobs will move to the Far East as a result of our inability to compete.
4. The first options to be eliminated will be those of lower and middle management. This will do most damage to middle America, causing greater income inequality.
5. Small companies create most jobs. Expense options will hit small companies the hardest.
6. Expense stock options goes far beyond the accounting issues. It's an economic issue that will do great damage to American industry.
7. The FASB plan will produce grossly inaccurate financial reporting at sharp inflection points in our economy causing investors to sell or buy shares based on wrong information. The cost to investors will be staggering. Given our infamous tort system, who will be liable?

Gentex and my co-workers is vehemently against any accounting policy that requires expense of stock options by broad-based stock option programs.

Sincerely,

GENTEX CORPORATION

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V.P. of Engineering

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