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To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 5280 -
File Reference: 1102-100

June 24, 2004

Financial Accounting Standards Board
of the Financial Accounting Foudation
401 Merrit 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Share-Based Payment
Amendment of FASB Statements No. 123 and 95

Stock options aren't inherently evil as seems to be the growing opinion in the regulatory world. Stock options have been an important part of attracting and retaining talent in many industries in this country. I feel that this amendment is taking one more step to punish companies who have issued and are issuing stock options to their organizations.

Points of disagreement:

1. Asking companies to expense stock options and then asking them to impact earnings again through a pro forma increase in the number of shares certainly seems to me to be double counting the impact of the options on earnings.
2. The fact that previously issued grants which have not yet vested seem to be included in this statement also seems to be retroactive punishment to companies operating in good faith before the amendment was issued.
3. The negative impact on reported earnings from expensing of stock option grants would seem to be counter productive to a country with a multi trillion dollar debt since tax payments will be reduced.
4. This amendment destroys the link between the balance sheet and the income statement. This is not a true expense but a fabricated one which is not a current expense.
5. If options expire, the expense will still be on the books even though it was never incurred.
6. Hopefully you had a chance to read the Wall St. Journal article relating the Bubble Act. Let's not make the same mistake again.

I think the public needs to be better informed about the potential impact of stock options and the current pro forma income calculation does that quite nicely. We don't need to start double counting the impact of options.

Yours truly,

John E. Kyees
CFO
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