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From: Cindy Skocik [cskocik@athenixcorp.com]

Sent:

Friday, June 04, 2004 4:15 PM

To:

Director - FASB

Subject: File No. 1102-100

## Members of the FASB,

I am the financial member of the management team of an entrepreneurial company and I am writing to express my concern about the proposed new accounting treatment for stock options. This company, Athenix Corp., is the second venture capital-financed enterprise in which I have worked. My choosing to work for start-up companies is in significant part a result of my motivation to have ownership in these companies in the form of stock options, and I am concerned that the proposed regulations will dampen or eliminate companies' willingness to grant stock options in the future.

Letter of Comment No: 3247

File Reference: 1102-100

The primary reasons for my concern about the new regulations are as follows:

- 1. The total inability of companies to predict the expense to which they are committing when they grant options under the new regulations may prove unacceptable to many companies, so they may merely stop granting options.
- 2. The unknown expense to which the companies would be committing is essentially outside their control, and the better the company's performance the higher the expense will be. This is completely contrary to what motivates entrepreneurs and build strong companies.
- 3. In these times when investors and shareholders are clamoring for and demanding transparency in financial reporting, these guidelines add significant complexity to financial statements. I am a CPA and it would be somewhat difficult for me to fully understand the accounting treatment and results, let alone explain them to the non-financial members of the management team and other readers of our financial statements.
- 4. The complexity of the proposed treatment will add to the time and cost required to generate financial statements. We have a very limited administrative and accounting staff, but will have to spend hours upon hours initially understanding and implementing what is required, then additional hours each reporting period to comply. That time would be much better spent in influencing the company's growth.

Please reconsider this exposure draft.

Sincerely,

Cindy Skocik Vice President of Finance Athenix Corp.

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