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From: Bud Ingalls [BIngalls@serologicals.com]
Sent: Thursday, June 03, 2004 3:21 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 3237
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I would like to strongly voice my opposition to the FASB proposed change in the accounting for stock options. Serologicals is a very successful small cap company focusing on the Life Science sector. In order to successfully compete with larger, better capitalized companies we must attract strong candidates that will enable the company to continue its efforts at both innovation and development of tools and technologies to support the drug research, development and production activities. Employee stock options have been a critical element in our company's compensation program to achieve this competitiveness and success in the marketplace. I believe the proposed changes in accounting for stock options will be a serious detriment particularly for small to mid-size companies in attracting and retaining the talent necessary to compete. I believe stock options provide an incredibly valuable function in aligning the interest of employees with the interests of our company and our shareholders.

Mandatory expensing of stock options will discourage the use of stock options discouraging entrepreneurship and business development. It is much more than an accounting issue; it is an economic issue that likely will have far-reaching negative consequences on many U.S. industries, hurting rank and file workers, competitiveness and innovation. The FASB's plan will not improve corporate governance and will not help investors gain a better or more complete understanding of a company's financial situation or results. I do not feel that there is any valuation model for stock options (e.g. the Black-Scholes or lattice models) that can be considered reliable, consistent or comparable. I believe that it is impossible to create an accurate value, and expensing based upon available valuation models would in fact undermine the credibility of financial statements. If in fact, companies are allowed to adopt FASB's different valuation models, inconsistent valuations and investor misinformation will be the result. In addition, there are huge costs associated with implementing expensing of options, a poor investment given the flaws inherent in the FASB plan which will negatively impact the accuracy and comparability of financial statements.

Broad-based stock option plans are an entrepreneurial incentive that sparks innovation, enabling the creation and growth of successful companies that in turn provide jobs and make U.S. companies competitive in the global marketplace. I urge you to reconsider the proposed accounting rules for stock options

Sincerely,

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