

ikon

Letter of Comment No: 1088

File Reference: 1102-100

From: Michael Wiley [miwiley@clisco.com]
Sent: Wednesday, April 21, 2004 5:49 AM
To: Director - FASB
Subject: Save Stock Options: File Reference No. 1102-100 - Chairman Robert H. Herz

To whom it may concern:

My vote counts...I urge you to NOT drive an effort to expense stock options for the following reasons:

- The artificially high valuation for a stock option will eliminate stock options as a tool which has driven innovation and productivity.
- Stock options do not meet the definition of an expense because they do not use company assets.
- The true cost of a stock options is a dilution of earnings per share (EPS) and is already accounted for when options are exercised.

US Jobs/Competition:

- U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)
- Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

again I urge you not to pursue this effort in expensing stock options.

Greatly concerned,
Michael Wiley

4/21/2004