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Letter of Comment No: 2970
File Reference: 1102-100

From: Dave Logan [dlogan@covelight.com]
Sent: Wednesday, June 02, 2004 11:54 AM
To: Director - FASB
Cc: jcdowling@nvca.org
Subject: File No. 1102-100

Members of the FASB:

I am a co-founder and President of a venture-backed information security startup located in Research Triangle Park, NC. I have had the privilege of co-founding or being part of the senior management team of several other highly successful venture backed companies over the past 10 years.

I am writing to you today to express my serious concern about FASB's consideration to require private companies to expense stock options. The direct and indirect costs of this new rule will have a serious impact on our ability to conduct business as a small, entrepreneurial company. The value and cost of stock option grants will have a material change in their worth in the overall scheme and strategy of compensation. The complex accounting for these options will force us to allocate measurably less resource to the all-important areas of product development, marketing and sales.

As an entrepreneur dedicated to the creation of new solutions, job growth and shareholder value -- please consider my concerns and my following request: I urge you to re-consider requiring private companies expense stock options. Please feel free to contact me at any time to discuss.

Regards,
-- Dave Logan

David B. Logan
President

dlogan@covelight.com
Office: 919.677.9680 x218
Cell: 919.593.1138



www.covelight.com

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6/2/2004