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From: Sent:

Brian Howard [rpguy3@msn.com] Wednesday, June 02, 2004 10:49 AM

To: Director - FASB

Subject: FAS123 - Expensing of Stock Options - NO WAY!

To whom it may concern:

I am NOT in favor of companies having to expense stock options for there employees.

I have worked for a large Information Technology company for the past 5 years, which

due to the availability of stock options, has given my family and I a higher standard

Letter of Comment No: 2959

File Reference: 1102-100

of living. I fear that if this rule  $\/$  law goes into effect, that essentially our standard

of living will drop, and the funding for our kids education will suffer.

I do NOT favor that companies should have to expense stocks options for the following reasons:

1) Stock options have served as a significant tool to drive American high tech

leadership, innovation and job creation. If implemented, FAS 123 will likely

bring an end to broad-based employee stock option plans inside the United States.

2) U.S. companies need broad-based employee stock option programs to compete with other countries on a global basis. Other countries, including China, do not

expense stock options.

3) These broad-based employee stock option plans not only enhance productivity
but also benefit shareholders by better aligning employee and share

but also benefit shareholders by better aligning employee and shareholder interests.

4) Stock options do not meet the definition of an expense because they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised. Employee stock options are not freely tradable, are subject

forfeiture if an individual leaves the company, and are therefore impossible to value.

5) The FASB exposure draft will require companies to somehow come up with a value-however inaccurate-- and force companies to put inaccurate information

on the financial statement. The financial statements will actually become less

valuable to the individual investor. Overall expensing options will likely lead to

further inaccuracy and financial engineering in corporate filings, which will

not be beneficial to shareholders.

Thank you for your time in this matter.

Sincerely,

Brian Howard Cary, NC