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Letter of Comment No: 2850  
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**From:** Desrosier, Paul [Paul.Desrosier@nasdaq.com]  
**Sent:** Tuesday, June 01, 2004 11:36 AM  
**To:** Director - FASB  
**Cc:** Desrosier, Paul  
**Subject:** File Reference No. 1102-100

I am currently vested in a number of stock options for my current employer and expect to be awarded additional options over time. While the value of those options today is less than zero, My peers and I are motivated by the value those options could hold through hard work and determination. The upside of stock options are the "American Dream". Our government should do what it can to support such incentives and not penalize those companies willing to share the rewards of hard work.

It is my understanding that mandatory expensing will;

- \* Discourage corporate use of options as incentives
- \* Lacks a reliable method for consistent, comparable valuation
- \* Does nothing to support a better understanding of corporate finances for investors
- \* Implementation will be a great expense, a poor investment given the flaws inherent in the FASB plan, which will negatively impact the accuracy and comparability of financial statements.

It is also my understanding that there is no direct evidence that unethical and illegal corporate behavior aimed at inflating stock values is in any way tied to broad based stock options plans. And after considerable cost, the FASB plan will still not improve corporate governance. The current approach of reflecting the "cost" of options in the financial statement in the dilution of earnings per share is fair and valid.

In my experience, Broad-based options plans are an entrepreneurial incentive that sparks innovation, enabling the creations and growth of successful companies that in turn provide jobs. Further, Broad based plans help align the interest of employees with that of the company.

Sincerely,

Paul M. Desrosier  
661 S. Hoop Pole Rd  
Guilford, CT 06437

6/1/2004