

**Karen Salmansohn**

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**From:** Director - FASB  
**Sent:** Monday, February 1, 2003 7:44 AM  
**To:** Karen Salmansohn  
**Subject:** FW: Policy on treatment

**Letter of Comment No:** 146  
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-----Original Message-----

From: Alain Cohen [mailto:acohen@opnet.com]  
Sent: Saturday, February 01, 2003 7:44 PM  
To: Director - FASB  
Subject: Policy on treatment of stock options

Dear Sir:

My understanding is that you have invited comments on the new policy under consideration by FASB regarding the expensing of stock options. As the president and founder of a tech company that went public after 14 years of hard work by me and many other employees, I can tell you that we view this as a nothing short of a huge mistake.

Stock options are one of the key mechanisms for motivating key employees to build a company bigger and better. That motivation is one of the key elements that makes American companies not just different, but better than companies elsewhere. By making it unattractive to use stock options to enhance the future potential for hardworking employees, you will take away a lot of the spirit of employee participation that makes American companies great.

Furthermore, the stock market is so volatile that it is hard to imagine that any method of valuing stock options can be really considered accurate. Yes, we know they have a non-zero value, but for many employees, stock options go "under water", or the employees depart for various reasons, never taking advantage of the options. Yet, I assume, the expense taken for such options would not be reversible.

We have already built our company to a significant size and taken it public, and seen how stock options helped build the momentum needed to do this. This was not an easy task. However, it's hard to imagine we could have had as much support from the company's employees if they had not been included in the financial rewards.

Overall, this will only serve to weaken businesses and the economy, and will be inaccurate in representing the true expense to the company. The distribution of stock options is already reflected in reported information in the sense that it dilutes per-share metrics, like EPS.

I hope consider the grave impact such a decision would have.

Sincerely,

Alain Cohen  
President and Chief Technology Officer  
OPNET Technologies, Inc.  
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