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Letter of Comment No: 1644
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From: Krishna Curam [kcuram@yahoo.com]
Sent: Wednesday, April 21, 2004 3:15 PM
To: Director - FASB
Subject: To the Chairman Robert H. Herz. Ref: File Reference No. 1102-100

Dear Sir,

I work in the silicon valley. I understand that the Financial Accounting Standards Board (FASB) released a draft plan stating that they intend to treat stock options as an expense. I believe this is a very bad idea.

In fact I am not even quite sure why this draft was proposed in the first place.

All the modern day wonders in this information technology age has its foot hold in companies which have treated employees as a part of the company and stock options is one of the key initiatives that companies put forth.

It is proved beyond doubt that if the company belongs to an individual either as whole or partly, he will have more incentive to ensure that we all work together and succeed, otherwise he will become like another worker who does his job and go home and no innovations can really happen.

In today's global economy, it is extremely important for the companies to compete and come up with innovation on almost a daily basis. To add to this, keeping costs low is another key. if not, this will directly hit US economy, as companies need relocate to other parts of the world. This will have two folded effects:

- US economy will suffer
- No innovations will happen.

Please re-consider the draft plan. It is critical that all of us work towards a healthy economy for our country (as well as the world) . . .and the first step is to support corporations which are helping in innovations and making employee's part of the company itself.

Please note that I am not saying all these because I will get directly affected by this ... I am very concerned about the basic FSAB's thinking process itself regarding this issue, as stock options really does not qualify as company affects.

Thanks for your time,

Krishna Curam

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