Letter of Comment No: 4385 File Reference: 1102-100

CEGENT

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June 22, 2004

FASB 401 Merritt 7 Norwalk, CT 06856-5116 File Reference No. 1102-100

To whom it may concern,

My name is Alan Puzarne, I am the President of Cogent Healthcare Inc. a private venture capital backed company focusing on health care services located in Orange County, CA. The impending FASB requirement for expensing stock options concerns a company like ours. As a start-up company cash resources, the lifeblood of our company, are limited and at a premium. The requirement to expense stock options puts an undue financial burden on a company like Cogent. The complexity of determining stock option value for an expense that has not yet occurred will require expensive outside counsel. Even with outside expertise the results will be an estimate at best. For a small company like Cogent it is an expensive and I believe unnecessary exercise.

In addition, the argument regarding a private company having an option to adopt GAAP versus non-GAAP accounting methods simply is not valid. As a venture capital backed company our investors along with all employees at our firm hold the promise of one day performing an IPO as the ultimate goal, for which many will have sacrificed much. Without implementation of GAAP accounting methods from day one, it is almost certain that this alone could prove a significant impediment in filing our S-1. Therefore, adopting GAAP standards is not an option but a mandatory course of action for a company like Cogent. If the requirement is implemented, private companies who have aspirations of going public will have no choice but to go through this exercise.



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Given the inescapable impact that expensing stock options will have on a private

company like ours, I urge FASB to reconsider its decision in making the process a requirement. Thank you for your time and consideration.

Very truly yours,

Alan Puzarne

President and CEO of

Cogent Healthcare, Inc.