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From: Sandy Fitzpatrick [sfitzpatrick@cohesivetech.com] on behalf of notick@cohesivetech.com

Sent: Wednesday, May 05, 2004 4:14 PM

To: Director - FASB
Cc: jcdowling@nvca.org

Subject: File Reference No. 1102-100 Letter of Comment No. 2248
File Reference: 1102-100

To Whom It May Concern:

Small, high-growth, entrepreneurial companies represent our country's most promising source of economic fuel. These companies, my company, create the vast majority of new jobs, generate revenues that contribute significantly to the GDP, and foster groundbreaking technology used throughout the world. These companies are fueled by stock options.

We have an urgent concern that the Financial Accounting Standards Board (FASB) could change all of that if it mandates the expensing of stock options. This is especially troublesome because the academic models for valuing options were designed for much larger companies with more stable valuations and is inappropriate for high-risk, venture-backed firms. The promise of ownership (realized via stock options) has enabled me to compete for the talent necessary to build our product, despite scarce cash resources.

In the end, forcing my company to book an illusory cost will camouflage my organization's true economic health. With artificially lowered earnings, companies such as mine will be less likely to access traditional capital markets, which may lengthen the time to an IPO or acquisition. Inflating our cost of capital has real consequences on our ability to grow jobs and contribute to the nascent economic recovery. Expensing stock options would destroy a model that has made America the entrepreneurial envy of other nations.

So I hope that you'll refrain from forcing companies from expensing stock options, and instead focus on new systems, which will produce more accurate pictures of corporate health and value.

Sincerely,

Peter H. Glick President and CEO Cohesive Technologies 101 Constitution Blvd. Franklin, MA 02038 800-246-4550 pglick@cohesivetech.com