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Letter of Comment No: 2463 File Reference: 1102-100

W. Leigh Thompson [electricpotato@jhu.edu]

From: Monday, May 17, 2004 12:33 PM Sent:

To: Director - FASB

Subject: I strongly oppose expensing of stock options.

I am a member of eight boards of directors of public companies, have been a member of ten other boards of directors, and am a consultant to many companies listed on NASDAQ. In my opinion, there is no valid way of determining the value of stock options for biotech companies and overstating their value and expensing them will just further complicate their balance sheets which are already very difficult for anyone to interpret. There should be some simpler means of expressing what fraction of the total shares in the company have been given as options and are this year being given as options and an explicit expression of such fractional share utilization as options is informative and is largely being done comprehensively and accurately by most companies. To try to convert this into dollars is very foolish because:

- (1) we cannot predict how many options will ever be exercised
- (2) we cannot predict what interval will elapse before exercise is effected
- (3) we cannot predict the share price at the time of exercise Leigh Thompson PhD MD ScD FACP FCCM Chairman, inspire Pharmaceuticals 54 King Street Charleston SC 29401 1 843 577 8936