

Letter of Comment No: 5747 File Reference: 1102-100

May 26, 2004

Financial Accounting Standards Board MP&T Director 401 Metritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re:

File Reference No. 1102-100

Stock Option Expensing

Dear Sir or Madam:

On behalf of the executive officers and many of the other team members at FindWhat.com with whom I have spoken, we would like to express our strong opposition to the IASB Proposed IFRS, Share-based Payment, dated November 18, 2002, that provides for mandatory stock option expensing.

In 1999, FindWhat.com was a small internet company with a great idea, a 2500 square foot office and 10-15 team members. In 2004, FindWhat.com has a market cap of over \$750 million, has locations throughout the country while doing business on a global level and employs 450 people globally. Without question, it was then and is now our employees – our team – that is responsible for making a great idea become a real life success. Throughout FindWhat.com's history, I strongly believe that it has been the promise of sharing in the company's success that has motivated and continues to motivate our team to perform at the level they have, making our company the success it has become.

The IASB Proposed IFRS, Share-based Payment, would eliminate one of the primary means by which FindWhat.com has been able to keep this promise to its employees. Stock options are perhaps one of the very best ways to motivate employees to do the very best job they can. It is not a bonus which rewards employees for the hard work they have already done. It is a promise that if the employee and all of the other employees continue to work hard to make the company better, the employee will share in the company's success on a proportionate scale.

In order to assemble our team, FindWhat.com has not been able to offer the biggest salaries or the best benefits, but it has been able to use option grants as a means to attract some of the best of the best in their respective fields to an emerging company with strong potential. Accordingly, I can say without hesitation that, if not for the allure of stock options and the team that has enabled us to assemble, FindWhat.com may not be the successful company it is today, but rather a small company with a great idea, a 2500 square foot office and 10-15 team members. This fact is not only true of FindWhat.com and other technology-based companies, but for emerging

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businesses in various market sectors throughout the United States. Indeed, options have proven to be a valuable tool to increase jobs and grow the U.S. economy. Options allow businesses to forego an immediate outlay of cash for highly trained employees — cash that can instead be used to hire more employees, increase research and development, and build new and stronger businesses.

With so much emphasis given to \$300 tax breaks and what they can do for individual taxpayers, it seems misguided to substantially reduce the ability of hundreds of thousands of employees throughout the country to share in the fruits of their labors by participating in stock options which can be worth thousands of dollars annually. Yet, that is just the impact that the IASB Proposed IFRS, Share-based Payment, could and likely will have. If companies are forced to treat employee stock options as a compensation expense, I think it will be only a short time before the use of stock options falls out of favor and only a short time thereafter that employees of FindWhat.com and employees of companies throughout this country are earning less and feeling less engaged in the success of their employers.

All this being said, I believe it is also important to note that mandated expensing makes little accounting sense. Employee stock options do not represent an expense to the company issuing the options, it represents something of value to the employee. When an option is issued, there is no outflow or consumption of corporate assets and no decline in the value of corporate assets, nor is there the creation of a liability representing actual or expected cash outflows. Rather, to the extent options are ultimately exercised, corporate assets are increased by the amount of cash that the employee must pay to exercise the option. Therefore, the basic expensing principle is misguided. Furthermore, we believe that requiring employee stock options to be treated as an expense would result in misleading financial statements because no accurate, reliable or tested method of valuing stock options currently exists. Additionally, employee stock options are already accounted for and disclosed through "diluted earnings per share" on a company's financial statements.

Mandatory expensing will discourage use of options, thus discouraging entrepreneurship and business development. In high technology and biotechnology industries stock options and broad-based employee ownership have been an engine of growth helping to build some of the nations' most innovative companies.

We are proud to be recognized in the state of Florida and throughout the United States as an established company, that continually contributes to the growth in our community and country and look-forward to continuing our role.

If IASB Proposed IFRS, Share-based Payment is enacted, its effects are likely to be immediate and devastating, not just to FindWhat.com, but to existing and emerging companies throughout the United States.

FindWhat.com strongly believes that the current guidelines/standards set forth in FASB 123 provides appropriate information to investors and that a mandatory expensing standard should be rejected.

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With my very best regards and well wishes for an ever-growing economy and prosperous workforce,

Craig A. Pisaris Henderson Chairman, Chief Executive Officer and President, FindWhat.com