GENTEX CORPORATION

A Smarter Vision®

Letter of Comment No: 5619
File Reference: 1102-100

June 30, 2004

Email: director@fasb.org

Re: Expensing of Stock Options (File Ref. 1102-100)

This letter is written to express my personal position against the expensing of stock options. I am an accounts payable clerk at an entrepreneurial company who values stock options as a useful incentive for spurring growth and encouraging employee ownership. In addition some of the following points underline additional reasons why expensing stock options is not in Gentex best interest.

- If companies are allowed to adopt FASB's different valuation models, inconsistent valuations and investor misinformation will increase. Transparency of Financial statements is the goal of the FASB and this is just going to make things more cloudy than before.
- This is more than an accounting issue, it's and economic issue that will have a largely negative impact on many industries and people, hurting those earning middle incomes, and it will stifle competitiveness and innovation.
- No good valuation model for options is considered to be reliable, consistent or comparable.
- The cost of stock options is reflected in the "diluted" EPS numbers that are reported by companies today. If companies are required to expense options in addition, this will be double counting the cost.
- There will be huge costs in undertaking the implementation of expensing stock options, which will negatively impact the accuracy and comparability of financial statements.
- The FASB's plan will not improve corporate governance and will not help investors gain a complete understanding of a company's finances. All of the ethical companies in America should not have to pay the price because one or two crooked CEO's manipulated the financial results of their company for financial gain. That is not the fault of giving stock options as pay.

I am, as a Gentex employee strongly against any accounting policy that requires expensing of stock options by broad-based stock option programs.

Sincerely,

GENTEX CORPORATION

Mary Kingshott
Accounting Manager

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