

ikon

Letter of Comment No: 3196
File Reference: 1102-100

From: Stacey Sutay
Sent: Wednesday, June 09, 2004 9:32 AM
To: Karen Salmansohn; ikon
Subject: FW: Reference Number 1102-100

-----Original Message-----

From: lauren landfield [mailto:laurenlandfield@email.com]
Sent: Tuesday, June 08, 2004 6:03 PM
To: Stacey Sutay
Subject: Reference Number 1102-100

Given that stock valuation focuses on future cash flows and that stock options effect the diluted shares outstanding, both of which are forecasted by analysts to calcualte present value, forcing the expensing of stock options is a pointless exercise. Anybody using financial statements to calcualte value will look right through a non-cash charge for stock options expense thereby rendering it useless. It belongs as an exhibit in the footnotes.

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