

**Stacey Sutay**

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**From:** Greg Boop [gboop@nc.rr.com]  
**Sent:** Tuesday, April 20, 2004 9:04 PM  
**To:** Director - FASB  
**Cc:** Stacey Sutay  
**Subject:** FASB File Reference No. 1102-100 - Expensing of Stock Options

Chairman Robert H. Herz  
FASB 123  
re: File Reference No. 1102-100

Dear Chairman Herz,

I am writing to express my considerable dismay with the FASB exposure draft released on FAS 123 to expense broad-based employee stock option plans.

Stock options have served as a significant tool to drive American high tech leadership, innovation and job creation. If implemented, the FAS 123 proposal will likely bring an end to broad-based employee stock option plans inside the United States. U.S. companies need these stock options programs to compete with other countries on a global basis.

These stock option plans not only enhance productivity but also benefit shareholders by better aligning employee and shareholder interests. Stock options do not meet the definition of an expense because they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised. Employee stock options are not freely tradable, are subject to forfeiture if an individual leaves the company, and are therefore impossible to value. How can you value something that has no market? Under this exposure draft, the FASB will somehow come up with a value --however inaccurate-- and force companies, like mine, to place inaccurate information on the financial statement. Indeed, financial statements will become less valuable to the individual investor. This will likely lead to further inaccuracy and financial engineering in corporate filings, which will not be beneficial to shareholders.

**Please reconsider and rescind this exposure draft.**

Thank you,

Gregory Boop  
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