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Letter of Comment No: 1770 File Reference: 1102-100

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Sent: Friday, April 23, 2004 1:02 PM

To: Director - FASB

Subject: My opinion Regarding File Reference No. 1102-100

Dear FASB director,

Going forward, competition in the high-tech industry between the US and Asia-Pacific (APAC) will get tougher each day.

FASB has no jurisdiction over APAC and will therefore not be able to influence the compensation mechanisms APAC companies will use to compete against US-based companies.

Once APAC companies start offering stock-options in-mass, similar to ones given in the technology companies in the US, a lot of dual citizen employees of US companies will be tempted to go back to their native countries, thus accelerating the brain drain. It's already happening.

We need to reverse this trend, by thinking of ways to compete more for these talents. The FASB, however, is currently working to accelerate this trend instead of countering its effect, by stripping the one financial incentive that has been pioneered in the US as part of our great capitalistic principals to generate (by energizing the employee base) and distribute wealth (by making it widely available). Let's not take the system that brought us here for granted. Simple mistakes can contribute to collapse of great financial empires. Please re-consider the rule that strips major US companies from one important arsenal and makes them weak in the years ahead against their competitors overseas and over-burdens them with figuring out the value of a vague asset that has no market, thus contributing to confusion in accounting.

Let's look at the big picture and re-think what we really are trying to solve and if this is really the only solution.

Silvio Bou-Ghazale, Ph.D.