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Letter of Comment No: 2733
File Reference: 1102-100

From: Jon Downing [jdowning@unitedcb.com]
Sent: Wednesday, May 26, 2004 6:01 PM
To: Director - FASB
Cc: Jon Downing
Subject: File Reference No. 1102-100

Dear Director:

As the Chief Financial Officer of UCBH Holdings, Inc., a publicly traded company traded on The Nasdaq Stock Market, I am writing to you to express my serious concerns over the pending implementation of the Financial Accounting Standards Board's (FASB) expensing rule on employee stock options.

On behalf of the entire UCBH organization, I would like to officially express our opposition to this rule. There are several reasons why we oppose this rule, but we are particularly concerned that this rule may negatively impact smaller companies like ours that use stock options as incentives to attract talent, encourage loyalty to the organization and ensure that the interests of employees and management are succinctly aligned.

In addition, we believe that because there is no effective and standard method to value options, companies may adopt disparate methodologies in which the end result will be confusing and worthless valuation perspectives will be passed on to investors.

Finally, the costs associated with the implementation of this rule will be prohibitively expensive for small-cap companies.

I thank you in advance for the opportunity to express our opposition to this expensing rule.

Sincerely,

Jonathan H. Downing
Executive Vice President and
Chief Financial Officer
UCBH Holdings, Inc.