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 Sent:
 Friday, May 28, 2004 2:12 PM

 To:
 Director - FASB

Subject: File Reference No. 1102-100



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Madam/Sir,

I am writing to you to urge you not to mandate the expensing of stock options. There are many effects of this type of legislation but I will briefly mention two that I am most passionate about and that have affected both my personal and professional life.

First, valuations. As a twenty year veteran of the capital markets system of this country, I have learned the necessity of proper valuations on publicly traded issues and the advantage of having these issues trade with proper transparency and disclosures. The current valuation models (Black-Scholes or Lattice) are neither reliable nor consistent. Trading equity issues on these available methodologies would in fact undermine the credibility of financial statements and the financial markets. In this day and age of public disclosures when the markets are disseminating information to a broader base of investors than this country has ever seen, why would we create an environment that could potentially produce misinformation to investors? Investor protection and investor confidence are the key to keeping our capital market system the preeminent system in the world.

Second, proper and ethical incentives for employees. Broad-based options plans are an entrepreneurial incentive that sparks innovation, enabling the creations and growth of successful companies that in turn provide jobs. Any individual working for a corporation whose compensation is a base salary and hopes of a bonus has limited opportunity for economic advancement. However, option plans will align the interest of employees with that of the company giving the individual and the company economic advantages. The ability to use option plans to attract and retain employees levels the economic balance in corporate America. Without this balance only the few well financed companies in this country will be able to employ the talent. Creating an environment where employees have financial opportunities and employers can freely attract and retain talented employees will provide the US economy with growth opportunities that are children and our children's children will benefit from.

The expensing of stock options prohibits economic advancements for the rank and file employees and potential brings misinformation to investors while providing no real benefits to either employee or investor.

Thank you for providing me the

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opportunity to voice my opinions on this important issue,

Best Regards,

Richard Keary

Richard M. Keary
Managing Director
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