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Letter of Comment No: 1660 File Reference: 1102-100

From: Sent:

Harada Paul [paulharada@yahoo.com] Thursday, April 22, 2004 2:26 PM

To:

Director - FASB

Subject: File Reference No. 1102-100, addressed to Chairman Robert H. Herz

Mr. Chairman.

Based on the recent Financial Accounting Standards Board (FASB) draft

plan

stating that they intend to treat stock options as an expense, I am

writing you to express my strong personal concern. I have been in the

high tech industry for many years and see a tremendous

move from

American

based companies to non-American and have real concern about this loss.

believe that the manner in which FASB is viewing stock options is very flawed and as a result will only remove this win-win incentive. This

ultimately give only foreign companies an advantage since they are not

limited in the same ways. This could have a tremendous negative impact

American jobs, technical leadership, innovation, and ultimately the U.S.

economy.

If you look at the specific accounting issues you will see that the

FASB

will ultimately eliminate a tool that has driven innovation and

productivity for many companies by assigning an artificially high

valuation for stock options. The true cost of a stock option is

dilution

of earnings per share (EPS) and is already accounted for when options

are

exercised and stock options do not meet the definition of an expense

because they do not use company assets.

Please consider the impact that this change would have on the American

corporate leadership and economy and STOP THIS ACTION before harm is

In today's economic environment, the number one rule should be 'first,

do

no harm'.