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**From:** Tom Rowe [torowehp@netscape.net]  
**Sent:** Friday, April 23, 2004 5:20 PM  
**To:** Director - FASB; trowe56@yahoo.com  
**Subject:** File reference NO. 1102-100, expensing stock options.

**Letter of Comment No: 1826**  
**File Reference: 1102-100**

Dear Chairman Robert H. Herz,

At this time I wanted to say a few words on my behalf regarding the possibility of expensing stock options from U.S. companies.

I do not believe that a move to expense U.S. companies stock options is in the best interest of all fellow Americans. Several reasons why I feel this way are listed below.

1. The valuation for a stock options required by the FASB will eliminate stock options as a means for employee innovation and productivity. These stock options are a way to promote the American workForce in producing better quality products which gives the individual employee an incentive to work harder.

2. Stock options do not meet the definition of an expense because they do not use company assets. with this said, I see no valid reason why the FSAB would want to enforce this behavior. It seems senseless in my thinking.

3. The true cost of a stock option is a dilution of earnings per share (EPS), and is already accounted for when options are exercised.

4. Companies within the US need stock options to compete with other countries on a global basis. There are currently foreign countries who use stock options and do not treat them as an expense.

Overall, I think it would be in the best interest of the US to not proceed and expense US company stock options. This will result in very disatrous economic situations, not just in the short term but in the long term. I seriously think that you should reconsider your position regarding the expensing of stock options.

Regards,  
Thomas Rowe