## ikon

From: Shipley, John [John.Shipley@nasdaq.com]

 Sent:
 Tuesday, June 01, 2004 12:26 PM

 To:
 Director - FASB

Subject: File Reference No. 1102-100.



InterScan\_SafeSta mp.txt (296 B...

FASB's plan of expensing stock options is flawed. It will:

\* Have far-reaching negative consequences on many U.S. industries, hurting rank and file workers, competitiveness and innovation.

Letter of Comment No: 2847 File Reference: 1102-100

- \* Will not improve corporate governance and will not help investors gain a complete understanding of a company's finances.
- \* Be confusing to compare financials of companies. No valuation model for options (e.g. the Black-Scholes or lattice model) is considered to be reliable, consistent or comparable. It is impossible to create an accurate value, and expensing based on available methodologies would in fact undermine the credibility of financial statements.
  \* It will lead to investor misinformation. If companies are allowed to adopt FASB's different valuation models, inconsistent valuations and investor misinformation will be the result.

Please reconsider the FASB stock option expensing plan!!!

John Shipley Corporate Client Group The Nasdag Stock Market One Liberty Plaza New York, NY 10006 212.401.8778 800.955.8964