Letter of Comment No: 4987 File Reference: 1102-100

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Robert H. Herz, Chairman

Director of Major Projects -- File Reference No. 1102-100

Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116

Norwalk, CT 06856-5116

Dear Chairman Herz:

Companies that try to recruit highly skilled individuals know that one way to end a recruiting interview is to say 'our company does not offer stock options'. This is a perk that talented individuals expect to be offered and it would be an enormous handicap to any business if they are unable to. I know that when I was searching for a new position, one of the main attractors was the offering of stock options. I believe that a company that offers stock options proves its stability and its belief in the employees it hires. This is why I am so against the FASB's proposal to mandate the expensing of stock options.

Under current guidelines, if the FASB or anyone else wants to know how many unexercised stock options a company has outstanding, that information is easily available in the footnotes of their financial statements. The complicated reporting requirements contained in the proposed FASB standard are not only unnecessary, they are financially irresponsible. There is no need to expense all stock options before they are exercised just to let the public know they exist. The existence of outstanding stock options is clear to anyone who cares to open a company's financial statements. Why then convolute the system even further and risk the loss of stock option benefits to employees should they become cost prohibitive to employers?

Please support the needs of employees and tell the FASB NO in reference to the mandatory expensing of stock options. Your time and attention to this very important matter will be greatly appreciated. Thank you.

Sinterely Yours,
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Rebecca Arnold

cc: Senator Christopher Dodd Senator Joseph Lieberman