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

Chairman Robert H. Herz
Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Dear Chairman Herz

From a personal standpoint, I can think of no better way to foster loyalty and good work ethics in employees than by offering stock options. Not only does it let employers realize the commitment of their workers, it also creates a bond between co-workers to strive towards the best for their company. Considering the high employee turnover rates that so many businesses suffer from, the government should focus on supporting initiatives like stock option plans-- not destroying them. Therefore, the proposed FASB plan to expense stock options should already be a moot point.

The proposed FASB standard requires businesses to list stock options as an expense when they are issued. Consequently, job incentives will be reduced as the reward of stock options is given mainly to top executives (as was the case with executives in companies like Enron and Global Crossing) instead of regular employees like me. These options are a key part of the overall compensation package that I receive from my employer and that is why I urge the FASB to leave the current system alone.

I am extremely concerned that this accounting standard is only going to end up hurting companies and employees, like myself. I am hoping you can view this issue from the perspective of an employee and then address this matter appropriately. Thank you for taking time out of your busy schedule to understand the importance of not passing the FASB standard into law. Thank you.

Warm Regards,



Teresa Wrenn

cc: Senator Christopher Dodd
Senator Joseph Lieberman