Letter of Comment No: 4959 File Reference: 1102-100

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June 24, 2004

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:

The FASB proposal for mandatory expensing of stock options would endanger broad-based employee stock option plans. This accounting standard will hurt mid-level and lower-level employees who only stand to lose their stock options. Rather than deal with the harm the FASB standard would do to their reported numbers, most companies would take the easy way out and forget about stock options altogether for regular employees. Naturally, the executives will still get theirs, but the little people, the ones like me, will be shut out of the process. This would NOT be good for our nations economy.

A company's willingness to offer stock options lets me knows I am valued and trusted. Stock options motivate employees because they feel they can be a true benefit to their company's success. Because of stock options, I am extremely motivated to do all I can to help my company and workers so that the company can continue to grow and the stock benefit increase. With stock options, employees become a part of a committed team. Why would the FASB want to risk the loss of this mutually satisfying benefit to all parties involved through this totally unnecessary accounting standard?

I hope you can see this issue from an employee's perspective. The mandatory expensing of stock options is not good for the economy, or employees. If would definitely do far more harm to us financially then good. That is why I urge you to reconsider the mandatory expensing of stock options and vote against it. Thank you.

Sincerely Yours,

Samudrala Murthy

cc: Senator Christopher Dodd Senator Joseph Lieberman