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Letter of Comment No: 4953
File Reference: 1102-100

June 24, 2004

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

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

Dear Chairman Herz,

It is basic knowledge that broad-based employee stock option plans help to develop employee dedication while allowing those employees to provide for their financial futures. Those are two of the main reasons as to why I am dedicated to the use of stock options as incentive programs for employees. They are also the primary reasons as to why I opposed the FASB's attempt to mandate the expensing of these stock options.

Under current accounting standards, anyone who wishes to can look up a company's outstanding stock options in the company's annual financial statement. Obliging companies to declare stock options as expenses before they are exercised will not improve the transparency of corporate finance, but it will create an unnecessary reporting burden on companies and distort the accuracy of their financial reporting in the process. No one will benefit from this proposed FASB standard but I can guarantee you employees such as me will definitely be hurt.

As an employee who holds stock options, I am concerned for what sort of problems mandatory expensing of stock options would create. Where I can fully appreciate the fact that you receive requests to deal with many important issues daily, I hope you will agree with me that this issue needs to be addressed quickly. This policy is a threat to the livelihood of millions of employees. Therefore, I implore you to prevent this standard from ever taking effect. Thank you for your consideration on this issue.

Regards,



Linda Torok

cc: Senator Christopher Dodd
Senator Joseph Lieberman