

Ms. Vesna M. Flanagan
LTX Corporation
Senior Component Engineer
University Avenue
Westwood, MA 02090-2306

Letter of Comment No: 4978
File Reference: 1102-100

June 22, 2004

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

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

Dear Chairman,

The FASB is obviously going for over-regulation here by trying to make companies expense stock options immediately! The state of today's competitive business environment restricts a company's ability to reward their most productive employees with appropriate salary increases. The use of stock options allows employers to reward their employees in a more fiscally responsible way, while still rewarding hard work and results. By having companies expense those stock options immediately, I feel that we are being punished for the wrongs that those few bad employers have engaged in.

The FASB requirement for mandatory expensing of stock options would endanger broad-based employee stock options and stock purchase plans. This accounting standard will hurt mid-level and lower-level employees who stand in danger of losing their option to participate in this plan. Rather than deal with the damage the FASB standard would do to their reported numbers, most companies would take the path of least resistance and drop stock options and purchase plans for rank and file employees. Employees who depend on these options as a means of security will see them evaporate! Please don't let this proposed plan become a new accounting standard.

I am confident that you will see the disadvantages of the mandatory expensing of stock options and stock purchase plans as business owners and employees across America see them. Expensing stock options and employee purchase plans would hamper economic growth of companies and the financial future of employees. You would be infringing on how a business owner and employee agree on compensation. I implore you to help fight these unnecessary and burdensome measures. Please vote down this stock option expensing measure.

Sincerely,



Vesna M. Flanagan

cc: Senator Edward Kennedy
Senator John Kerry