

Letter of Comment No: 4973
File Reference: 1102-100

Robert Mello
38 Grandview Drive
Litchfield, CT 06759

June 24, 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

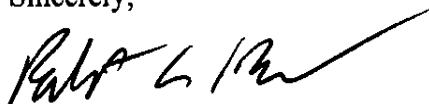
Dear Chairman,

In order to attract and then retain the best employees available, American companies must offer creative options since tight budgets prevent them from giving the pay raises or bonuses of past years. Stock option plans are used by many employees to attract the best. Making companies jump through hoops to provide stock options would practically eliminate this form of compensation at a time when employers already have enough to juggle.

I know that the FASB is aware that no one knows how much a stock option is costing my company until I exercise that option. After all, we have all heard about Enron! This is elementary accounting. Mandatory expensing of stock options would force companies into making uneconomical speculations. The proposed FASB accounting standard defies logic.

In proposing the expensing of stock options The FASB has it all backwards. We cannot expect a company to expense unexercised stock options. If they do, then companies and employees will lose money, people will lose jobs, and the national economy will suffer. Please help to avoid this disaster before it comes to a head. Thank you for your time in understanding the importance of not passing the proposed FASB standard into law.

Sincerely,



Robert Mello

cc: Senator Christopher Dodd
Senator Joseph Lieberman