

Letter of Comment No: 4971
File Reference: 1102-100

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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,

American companies depend on creative options to attract and retain the best people in order to remain competitive and financially solvent. Stock option plans are used by many employers to attract the best employees out there. That is why implementing these new accounting standards would prove so harmful. Making companies jump through hoops to provide stock options would practically eliminate this type of employee incentive at a time when employers already have enough to juggle.

The proposed FASB standard requires businesses to list stock options as an expense when they are issued. As everyone knows, this cannot accurately be done because the value of a stock option is never realized until it has been exercised. Therefore, job incentives will be reduced as the reward of stock options is given primarily to top executives instead of the average employees who, of course, have the greater need. These options are a key part of the overall compensation packages that I receive from my employer and I depend upon them to supplement my income. That is why I am imploring the FASB to leave the current system alone!

The only thing this proposal will accomplish is to bring financial hard times for employees such as myself. In these tough economic times, stock options are important to me. Therefore, this new accounting standard should NOT be passed. That is why I urge you to say NO to the proposed FASB standard. Thank you.

Sincerely,



Angela R. McDermott

cc: Senator Christopher Dodd
Senator Joseph Lieberman