

Letter of Comment No: 4965
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 Herz:

Companies, across the nation, have come to depend on stock options to attract and retain the best people. Stringent budgets prevent them from offering decent raise hikes or bonuses which was the custom of the past. But the use of stock option plans help to attract and retain the best employees. Employees are more secure in their futures with the company and are able to augment their salaries through stock option plans. Forcing 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 am sure you can appreciate the fact of how disheartening it is for employees to know that no matter how much effort they put forth, their company simply cannot afford to raise their salary. Employers must continuously find creative ways to reward good behavior, or the overall standard of performance and commitment plummets. The company I now work for offers stock options as a means to reward exceptional workers, which this raises the bar for everyone. Without stock options, my company and fellow co-workers would greatly suffer. That is why the FASB proposal to mandate the expensing of stock options should not become an accounting standard.

As an employee, I understand the importance of stock options and what a valuable incentive they are to employees. That is why I am so positive that the proposed FASB standard would be an encumbrance on my financial security. I know that you receive mail everyday with similar requests for help on numerous issues, but this is different. This issue really does require your direct attention. Please handle this matter appropriately and say No! to the FASB standard. In doing so, you will provide employees with a greater sense of financial security. Thank you

Sincerely Yours,

Francine Manuel



cc: Senator Christopher Dodd
Senator Joseph Lieberman