Letter of Comment No: 4963 File Reference: 1102-100

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Robert H. Herz, Chairman

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

Order Department, Financial Accounting Standards Board

401 Merritt 7, P.O. Box 5116

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## Dear Chairman Herz:

In recent years, it has become extremely important for me to know that I have stock options available to me. This is because stock options allow me to prepare for my financial future while supplementing my current income. It also allows me to feel more secure in my position. Creating obstacles for businesses that provide this beneficial means of compensation is sure to come at a damaging cost. It will force many employers to do away with options altogether. That why I oppose it!

Therefore, I write to you today to express my strong objections to the FASB's attempt to make the expensing of stock options prior to their being exercised the new accounting standard. The value of an un-exercised stock option is a phantom number and federal accounting standards should be based on actual numbers not phantom ones. Yet that is exactly what will happen if the proposed FASB standard on stock options accounting is allowed to become law. This would be a step backwards and lead to accounting chaos. Eventually, it would lead to companies dropping the use of stock options as incentives for employees. T workers would suffer the ultimate consequences of this extremely harmful standard.

Thank you for listening to my concerns. I hope you can understand the importance of not passing the FASB standard into law. This accounting standard is only going to end up hurting companies and employees, like myself. Please support the needs of the employees of this nation and address this matter accordingly. We are depending on your support. Thank you.

Sincerely Yours.

Keith Merrill

cc: Senator Christopher Dodd Senator Joseph Lieberman