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Letter of Comment No: 4949
File Reference: 1102-100

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

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

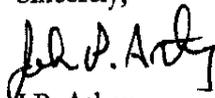
Dear Chairman Herz,

As someone who has been fortunate enough to benefit from stock options, I can state from experience that having the choice to participate in stock options creates a greater commitment to my company. The reason for this is because I am directly invested in its long-term prosperity. Stock options are also a tremendous motivation to my fellow employees to work towards making our company the very best that it can be. That is why I am at such a loss to understand why the FASB would consider making this vital option more difficult for businesses to offer.

The basic principle behind stock options is that an employee receives the stock at a certain value. As the employee helps with the success of the company, the value of that stock will increase and the employee shares in the company's success. Mandatory expensing, as proposed by the FASB, would require a value be placed on a stock option before it has been exercised, when in fact the value of that option cannot be determined until it is exercised. There is no worse request that the FASB could make because, in an attempt to avoid expensive and extensive accounting practices, companies will simply stop offering stock options which many employees depend on to supplement their incomes.

Stock options encourage a company's employees to work harder and more efficiently. At the same time, they help to build financial security for employees like myself. By requiring the mandatory expensing of stock options, companies could eventually drop stock options altogether. This would prove detrimental to everyone involved and must not be allowed to happen. Not only is our financial security at risk, our personal freedoms are at risk as well. I implore you not to permit the expensing of stock options to become law. Thank you for your help with this matter.

Sincerely,


J.P. Athey

cc: Senator Charles Robb
Senator John Warner