Letter of Comment No: 4946 File Reference: 1102-100

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Chairman Robert H. Herz

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

Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116

Norwalk, CT 06856-5116

Dear Chairman Robert Herz,

I am appalled that the FASB could propose the mandated expensing of stock options. As an employee I view stock option programs as additional compensation and long-term financial security for me and my family. Currently, the stock options offered by my employer are a major incentive for me to work harder and increase my productivity. Stock options are mutually beneficial to both employer and employee. However, if the proposed accounting standard is put into place, stock options will eventually become too expensive for companies to offer and they will stop issuing them as benefits to their employees.

Careful examination of the facts clearly shows that the FASB has it all backwards. These new accounting standards on stock options would inflate the cost of employee compensation plans for every company that uses stock options. There is no viable reason to declare stock options as an expense as soon as they are issued because the dollar amounts will NOT be accurate! The end result could very well be to eliminate stock options as a broad-based employee benefit.

Therefore, I am asking you to help us avoid this disaster before it comes to a head. Please say NO to the FASB's new accounting standard and preserve our financial futures. Thank you for your consideration.

Sincerely.

Lucy Pasqua

cc: Senator Christopher Dodd Senator Joseph Lieberman