Letter of Comment No: 4940 File Reference: 1102-100

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June 24, 2004

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,

Due to ever tightening budgets, the majority of businesses simply cannot afford to reward employees with valuable salary increases. That is why finding practical and efficient ways to reward employees in alternative ways is so pressing. Stock options are one of the most effective and logical forms of employee compensation and the benefits extend far beyond the extra money in employees pockets. It absolutely keeps many businesses afloat during hard times, helps retain the best employees, and fosters team work.

If you carefully examine the facts, the FASB accounting standard on stock options would inflate the cost of employee compensation plans for every company that uses stock options. The end result could very well be to eliminate stock options as a broad-based employee benefit.

That is why I am asking you to say NO to the expensing of stock options. This accounting standard is only going to end up hurting companies and employees. Please understand my concern and address this matter appropriately. Thank you.

Sincerely,

Diane A. Sutherland

cc: Senator Christopher Dodd Senator Joseph Lieberman