

6/20/04

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

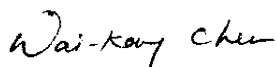
Dear Chairman Robert Herz,

I am vehemently opposed to the FASB's attempt to enforce the expensing of stock options! Without adding anything in the way of new corporate governance protection, the FASB accounting standard on stock options would inflate the cost of employee compensation plans for every company that uses stock options. I don't believe there is any good reason to declare stock options as an expense as soon as they are issued. The end result could very well be to eliminate stock options as a broad-based employee benefit. That would be a terrible loss to American economic growth. Please don't let that happen.

The mandatory expensing of stock options would be an egregious mistake in judgment. In the long run it will only harm employees when businesses find stock options to expensive to continue offering in their benefits package. I strongly believe stock options need to remain available to any company and should remain the valuable incentive they are now without any changes to the current regulations.

Please support the employees across the land who depend on you to make the right decision. Thank you for your time!

Regards,



Wai-Kong Chen

cc: Senator Barbara Boxer
Senator Dianne Feinstein