

Letter of Comment No: 4846
File Reference: 1102-100

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

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

Dear Chairman,

In the business climate where we operate today, there are strict practical limits on the amount of additional salary companies can offer their employees in return for exceptional performance. Stock options allow them to reward exceptional performance by giving exceptional employees an increased stake in the company's success. Through stock options, employees are encouraged to earn a greater return for outside investors and for themselves. Mandatory expensing of stock options would cause a great many businesses to reconsider offering them in the first place. Employees would lose a valuable tool by which to supplement their incomes and make a difference in their own economic futures.

Government intervention in the use of stock options is taking the freedom away from employers. Stock options help companies to reward their employees and create a team environment. A team environment is a proven tactic that motivates employees to work well in order to better the company. It is imperative that employers remain free to reward their employees in whatever way they feel is best. Therefore this plan of the FASB to mandate the expensing of stock options must not become a new accounting standard

The mandatory expensing of stock options is a serious mistake. If employees are going to be able to provide for their own financial futures, the use of stock options by employers must be encouraged---not discouraged. Therefore, please do everything you can to prevent the passage of this absolutely heinous accounting standard. Thank you.

Sincerely,

Farukh Faruqi

cc: Senator Barbara Boxer
Senator Dianne Feinstein



6/23/07