

Letter of Comment No: 4835
File Reference: 1102-100

6/21/04

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 Herz:

Presently, I am employed by a company that competes against large international corporations. Therefore, I can confidently say that we have some of the best talent around. I feel I speak for the majority of us when I say my company's stock options are what impressed so many of us to choose and then to remain with our company. I believe that this statement is also true for many up-and-coming businesses as well that have made a niche for themselves by recruiting talented workers with stock options. Without the flexibility to offer stock options in order to compete in the market, countless companies will simply flounder. Therefore, how could the FASB even consider mandating the expensing of these stock options when to do so could eventually eliminate them from an employees benefit package?

Requiring that companies estimate the cost of an unexercised stock option is no way to improve federal accounting standards. Accountants simply cannot base their books on numbers that do not exist and the fact that the FASB is even thinking of asking them to do so proves they have thrown logic out the window. Therefore, I hope you will be the voice of reason and do everything in your power to prevent the mandated expensing of stock options. Employees cannot afford the loss of stock options if they become too cost prohibitive for companies to offer.

I want to thank you for taking time out of your busy day to read my letter on this very important issue. I urge you to not turn a deaf ear to this critical issue.

Sincerely yours,



Steve Wigley
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Pleasanton, CA 94588

cc: Senator Barbara Boxer
Senator Dianne Feinstein