

Punyam Satya-Narayana
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Letter of Comment No: 3841
File Reference: 1102-100

May 26, 2004

Robert H. Herz, Chairman
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

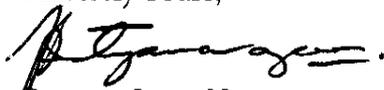
Dear Chairman Herz:

I'm contacting you regarding the competitive, near deflationary business climate we operate in today. Accordingly, there are strict limits on the amount of additional salary we can offer our employees in return for their exceptional work ethic. Stock options allow us to reward exceptional performance by giving exceptional employees an increased and deserved stake in the company's success. Through stock options, employees are encouraged to earn a greater return for outside investors and for themselves, thus making it a win-win situation.

I'm concerned that without adding any benefits in the way of new corporate governance protection, the FASB accounting standard on stock options will inflate the cost of employee compensation plans for every company that uses stock options. There is absolutely no good reason to declare stock options as an expense as soon as they are issued, given that their value is constantly changing. Any declaration will become inaccurate the next day with the constant fluctuation. Alarming, the end result could very well be to eliminate stock options as a broad-based employee benefit. That would be a regrettable loss to everyone.

I am grateful for your time to consider the negative consequences of this FASB proposal. There is much at stake here, including the personal freedom of businesses to offer ways to compensate employees such as stock options. Given that there is so much at stake, and given that this proposal's intent is not needed, I urge you to help us oppose it. Again, I appreciate your time and effort.

Sincerely Yours,


Punyam Satya-Narayana