

# Raritan Pharmaceuticals Inc

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Letter of Comment No: 3164  
File Reference: 1102-100

May 27, 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

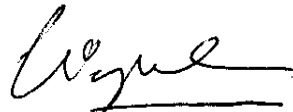
Dear Chairman Herz:

Stock options are a very important key to the ability of small business to attract and retain top caliber employees. Should the FASB decide to pass its new stock option expensing proposal, it could truly have repercussions that may eventually remove stock options from our list of rewards and compensations for employees.

Broad-based employee stock plans have converted stock options from a 'perk' for the privileged few to a very successful incentive and reward system for employees at all levels in corporations. Mandatory expensing of stock options would jeopardize many companies' ability to offer stock options to all employees. By causing us to have to guess as to the cost of the stock we are expensing upon delivery, you are asking us to alter the bottom line for our companies in a dangerous way. Please think about this before you decide to pass such a measure.

I am confident that you will see the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Expensing stock options would hamper economic growth and halt the emergence of exciting new technologies and businesses. We business owners need whatever breaks we can get. Please stand with us on this issue!

Sincerely,



Vin Nayak