Letter of Comment No: 5472 File Reference: 1102-100

FINANCIAL ACCOUNTING SERIES

Proposed Statement of Financial Accounting Stand Share-Based Payment an amendment of FASB No.

Subject: Request to Review Proposed Implementation Date

We, the committee of Equity Plan Service Providers, respectfully request your consideration to delay the January 1, 2005 time frame for the adoption of the final FAS 123 reporting guidelines. Collectively, our group, which is made up plan administrator service providers, transfer agents, and software providers, represent virtually 100% of the administrative marketplace servicing equity compensation programs in the US and abroad.

With the discretion provided by the latest exposure draft on valuation models comes confusion in the corporate marketplace on how companies should value their current equity award programs. This in turn places a level of accountability and responsibility on us, the committee, to provide a technology based solution to meet the needs of our collective clients. With the latest exposure draft still in the comment period it is unlikely that we will understand the full and final impact of the FAS guidelines until the end of 2004. This leaves insufficient time to adapt and deploy the "new standard" in FAS valuation models and consequently will lead to potential discrepancies in reporting.

With the impending changes, collectively the committee is contending with development to support the market shift from non-qualified and incentive stock options to a broader spectrum of equity award instruments. This includes an increased use of Restricted Stock, Restricted Stock Units, Stock Appreciation Rights and Performance Based plans. Our focused efforts are to endeavor to support the corporate marketplace in their administrative needs related to the diversity in award instruments while at the same time building out a suite of financial reports to meet our clients growing needs. The committee asserts that the allotted time frame does not allow adequate time to adapt our technology environments to support the needs of our client base. It is our opinion that the accelerated implementation of new guidelines may cause less accurate accounting if the industry is not given ample time to analyze the requirements and implement the proper tools to value instruments in accordance with the new guidelines.

We are seeking your consideration in reviewing the appropriateness of implementing the final guidelines on the current schedule.

Please direct any questions to Debbie Howard, Director, Equity Plan Services, Merrill Lynch, at 609-274-5640 or Martin Hirsch, Chief Administrative Officer of Equity Plan Services, UBS, at 201-352-7817.