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Letter of Comment No: 4166 File Reference: 1102-100

From: Orangio, Scott [Scott.Orangio@polycom.com]

Sent: Wednesday, June 16, 2004 8:48 AM

To: Director - FASB

Subject: File Reference No. 1102-100,

Chairman Robert H. Herz-

I write to urge you reconsider the FASB proposal to expense stock options. I believe stock options are a key motivating element in public corporation business.

For the past 10 years, my company stock option plans have improved my family's quality of life significantly. Also, they are a key motivator in a highly competitive electronics industry.

I understand that there have been unlawful accounting practices performed by corporate executives with respect to their compensation and stock options. However, the current proposal would reduce the value of stock options significantly, causing a decrease of income for the all workers. New legislation will not cure the corrupt business practices that have caused these accounting issues.

Stock options give employees at all levels a stake in the success of our companies. They encourage the hard work and entrepreneurial spirit that fuel innovation, increase productivity and boost shareholder returns. If the American worker loses the ability to increase their income via stock options, jobs will continue to flow to other companies (in non-US countries) offering stock option compensation packages.

I have personally seen the motivating effects of employee stock option programs. Owning options makes me feel like I have a real stake in the success of my company and increases my dedication and long-term commitment to my work. Stock option programs are also good for shareholders because employees are rewarded only if our company's stock value increases. As I said previously, my stock options have enabled me to improve my quality of life in meaningful ways.

There is a real need for a comprehensive study, outside the exclusive domain of the accounting profession, because current valuation proposals would create a highly distorted picture of the real economic effects of broad-based stock option grants and thereby create more confusion for investors.

Thank you	for your	consideration.
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