Letter of Comment No: 4964 File Reference: 1102-100

Lina Rodriguez 3 Finley Street Norwalk, CT 06850

June 24, 2004

Director of Major Projects—File Reference No. 1102-100

Robert H. Herz, Chairman Order Department, Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116

Dear Chairman Herz,

Presently, I am working for a company that now competes with large international corporations. Therefore, I can say with extreme confidence that we have some of the best talent around and I believe that my company's stock options are what encourage many of us to stay with our company. I am sure this 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. Why then would the FASB even consider proposing a new accounting standard that could eliminate the offering of stock options?

As we are all aware, stock options are issued to an employee at a certain value; as the value of the company's stock increases, so too does the value of the stock option for the holder. The cost of that stock option to the company increases as well. Yet, the FASB standard would require that a company value a stock option before the cost of the stock is even known. This would force companies into using imaginary numbers as a stock option must be exercised before a value is ascertained. Surely you can see that this proposed standard would be a serious setback for corporate accounting practices.

Therefore, for the financial welfare of employees and employers, I urge you to oppose mandatory expensing of stock options. Please allow small businesses to continue to operate honestly and efficiently without undue government interference. I appreciate your time in this matter.

Regards

Lina Rodrigue:

cc: Senator Christopher Dodd Senator Joseph Lieberman