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Frank C. Sullivan
President and Chief Executive Officer

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Via E-mail: lwsmith@fasb.org

Mr. Lawrence Smith
Director of Technical Application
and Implementation Activities
EITF Chair
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Mr. Smith:

I am writing in relationship to the recent Financial Accounting Standards Board ("FASB") pronouncement related to the timing of equity award pricing and communication to employees. As I understand this new guidance, I believe it is a poor decision and opens up this very important part of employee long-term compensation to an element of "price shopping" that is neither healthy nor desired.

Equity awards have long been an important part of employee compensation at RPM International Inc. In general, management makes recommendations related to the types of awards, the participants and the amount of the awards to a regularly scheduled Compensation Committee meeting on a fixed date each year in October. Once approved, the strike price of these equity-type compensation awards, all of which are restricted in some form or another over a period of years, is set at the closing price of the stock at the end of that day in which the Compensation Committee meeting was held. Following this, we prepare communications to our operating company presidents and then formally announce the awards at our November annual management meetings.

As I understand your recent guidance and communication, our practice would have to end. I believe this is a mistake for three very important reasons.

First, the ability to talk with our Board Compensation Committee and get their guidance before finalizing the type of awards, the individual participants and the amount of the awards is an important process as part of finalizing this annual element of our long-term compensation. In this Sarbanes-Oxley era, anything that inhibits or rushes a Board Compensation Committee's deliberation, input and decision on equity linked awards is a problem.

Secondly, fixing the price of these awards as of the closing price of our stock on a date which is generally set twelve months prior is a discipline that eliminates any intent or temptation to "date shop" for a presumed better strike price or restricted share value. If companies had the ability to go through their normal approval process with their Board Compensation Committee, prepare all the appropriate communications and then wait until a future date or time period within a matter of months in order to send out these communications, there runs a great risk of certain companies trying to time the day of communication and thus impact the strike price or share price of various equity related securities. This is a bad practice that would become all too common.

Lastly, and as important, eliminating the impact and significance of being able to recognize and/or celebrate the achievement or success which surrounds the attainment of long-term equity compensation awards, which are often communicated at company meetings or events, would eliminate a significant perceived value of these types of awards. This would also be a big mistake.

Accordingly, I strongly recommend that you reconsider this recent guidance in line with the issues raised in this letter. If there is concern that there is some abuse which could occur or some underlying accounting problem, perhaps insisting on a timeframe between formal Board approval, price determination and employee communication is appropriate; for instance, all within a ninety day period.

I appreciate your consideration of the issues raised in this letter and would be pleased to provide you with any additional information or comment if it would be helpful to your decision-making process.

Very truly yours,

RPM International Inc.

Frank Sullivan

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