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Thomas E. Hales
Chairman of the Board
President & CEO

April 4, 2004

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

Letter of Comment No: 45
File Reference: 1102-100

Dear Mr. Herz:

It is my understanding that you have issued a proposed accounting standard that will require that employee stock options be expensed through the income statements. I understand the evaluation that will be used in the financial statements will be based on a model that could or could not be valid, and certainly, may not be valid in a longer period of time. Recognizing that we reflect diluted earnings per share in our financial statements, and we reflect the effects in accordance with the above mentioned model in a footnote to the financial statements, it seems to me this is adequate accounting and disclosure.

Stock options have been a wonderful tool for American management to reward employees and to align employees with the interests of stockholders. As a C.P.A., I am disappointed that the F.A.S.B. has allowed itself to be as political as the Congress of the United States in arriving at their pronouncements. I feel that your reaction represents politics rather than solid reporting.

There is no reason in the world for you to take this position. It is not possible to accurately measure the expense, and the diluted effect is already included in earnings per share, and disclosure is adequate. A broad based attack on what has historically been acceptable accounting by the F.A.S.B. on this particular issue is disappointing.

Very truly yours,

Thomas E. Hales

TEH:smp