

Letter of Comment No: 4826
File Reference: 1102-100

Tom J. Radovich
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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

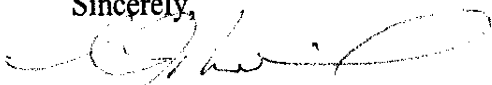
Dear Chairman,

As someone who realizes the benefits of stock options, I can think of no better way to foster long-term loyalty in employees or provide for their financial futures. Not only do stock options allow employers to cultivate the commitment of their workers, it also creates a bond between co-workers to strive towards the best for their company. Considering the high employee turnover rates that so many businesses suffer from, the government should focus on supporting initiatives like stock option plans---not destroying them.

From an accounting perspective the proposed FASB standard does not make one ounce of sense. Asking companies to expense a stock option before it has even been exercised is an absolute waste of time. There is no way of knowing how much the actual value of a stock option will be until it has been exercised! A company's financial statement already discloses the company's finances, including quarterly earnings and unexercised stock options. The information on unexercised stock options is available to those who are interested. Therefore, I find the FASB's proposal unnecessary to me as a share holder and employee.

I hope you are able to see that the disadvantages to the mandatory expensing of stock options far outweigh the advantages. As an employee I do not want to lose my financial security if companies stop offering stock options to their employees because of the financial burden being imposed by the new FASB standards. That is why I ask you to support the needs of hard working employees across the nation by opposing this unnecessary accounting standard. Thank you.

Sincerely,



Tom J. Radovich

cc: Senator Barbara Mikulski
Senator Paul Sarbanes