

6/24/04

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

**Letter of Comment No: 4831**  
**File Reference: 1102-100**

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

Dear Chairman Robert Herz,

It is time we all faced facts. In these difficult economic times, even the best employers cannot afford to give their employees decent pay incentives. That is why I depend on stock options as part of my investment portfolio to supplement my income and provide for my family. This is why I am also so strongly opposed to the FASB's plan to mandate the expensing of these stock options. To do so would make them cost prohibitive to my company and they would eventually be forced to eliminate stock option plans from their benefits package. This would surely harm a great number of highly valued employees.

We are all aware that stock options are a legitimate business expense for today's employer. However, I believe it is totally unreasonable to expect companies to know the size of that expense until the option is exercised by employees. Forcing companies to report expenses of a stock option prior to their being exercised is putting the proverbial horse before the cart. Tell me, when did predictions start to have a place in accounting? Surely you agree that accounting principles must be based on hard, tangible facts, not guesses.

The disadvantages to the mandatory expensing of stock options far outweigh the advantages. Therefore I ask you to support the needs of employees by denying FASB's unnecessary and totally redundant accounting standard.

Regards,

A handwritten signature in black ink, appearing to read "Robert A. Cameron", with a long horizontal line extending to the right.

Robert A. Cameron  
1373 Dentwood Dr.  
San Jose, CA 95118

cc: Senator Barbara Boxer  
Senator Dianne Feinstein