



1600 West Merit Parkway
South Jordan, UT 84095
Phone 801-253-1600
Fax 801-253-1687

Letter of Comment No: 3858
File Reference: 1102-100

June 15, 2004

Director of Major Projects
File Reference No. 1102-100
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5166
Norwalk, CT 06856-5116

Dear Director:

In my role as Vice President of Organizational Development at Merit Medical Systems, Inc., I write to express my strong opposition to the Financial Accounting Standards Board (FASB) Exposure Draft entitled "Proposed Statement of Financial Accounting Standards" dated March 31, 2004.

If adopted, the Exposure Draft would have a dramatic, negative impact on U.S. competitiveness, innovation and job creation. I believe that companies most likely would reduce the number of options distributed to employees. Since this would be the only way to reduce the "expense" that would now have to appear on their financial statements. If mandated to expense, most corporations would simply abandon or dramatically cut back broad-base stock option plans, rather than incur a substantial and arbitrary charge to their bottom line.

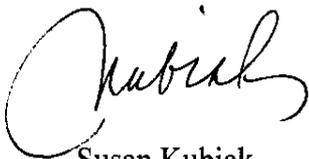
Merit's broad-based employee stock option plan has been a vital tool in recruiting and retaining the highest quality employees throughout our company's 17-year history. Over the past five years, Merit has granted approximately 75% of its option shares to rank and file employees below the V.P. level.

The practice of offering options to many employees, instead of just a few, has fostered a culture of ownership as well as motivating employees. At Merit, we have found that our stock option plan aligns the interests of employees with those of other shareholders because employees become more focused on the success of the company. The motivation of ownership is not only the heart of the American dream, but it is the key to innovation and competitiveness as well. Many of our employees have used option money to finance the purchase of their homes or to provide college opportunities for their children, these dreams may well have been impossible for some without the benefits of the option program.

Mandatory expensing would have a devastating effect on companies with broad-based stock option plans like ours. It would severely limit the trend of greater employee ownership, stifle innovation and entrepreneurship, and hurt the economy. In these post 9-11 days of a struggling economy, this ruling will not help the rebound of capital markets or the broader economy. U.S. companies need to have the tools to attract the best talent available. It is interesting to note that China is currently promoting the use of stock options as part of a five-year economic plan to attract higher-quality employees and grow their economy. China has discovered what we already know – employee ownership is a well-proven motivator in attracting the brightest talent and getting the best business results.

I ask you to seriously consider the negative effects of the March 31, 2004 Exposure Draft would have on Merit and thousands of other American companies. I reiterate my opposition to the plan and hope you will consider my objections.

Sincerely,

A handwritten signature in black ink, appearing to read "Kubiak", written in a cursive style.

Susan Kubiak
Vice President-Organizational Development