Letter of Comment No: 4833
File Reference: 1102-100

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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 Herz:

I don't think it's fair for the government to intervene in the ways in which my employer compensates its employees. I presently work for a company that offers stock options as a part of its benefits package and I could not be happier. Stock options are a proven, useful tool for motivating and compensating employees. I have seen, first hand, a distinctive enthusiasm among my co-workers that know that part of their compensation comes from stock options. All of us are motivated to work harder for the company's bottom line because it ultimately benefits us financially as well. If the government makes this difficult for companies to offer, it will be a grave cost to the success of many companies and a detrimental affect on employees personal finances.

That is why I am writing to you to express my opposition to the mandatory expensing of stock options. The only thing this proposed FASB accounting standard will do is hurt employees because employers will stop issuing stock options rather than participate in these expensive accounting standards. The cost of employee compensation plans as the FASB has proposed will be too high and employers will refuse to pay. Where is the logic in any of this?

Please look at this issue from my perspective. Mandatory expensing of stock options is not good for employees. That is why I urge you to reconsider the mandatory expensing of stock options. Thank you.

Sincerely Yours,

Bill Kordes

Bill Kordes

71 Rooster Ct.
San Jose, CA 95136

cc: Senator Barbara Boxer
Senator Dianne Feinstein