Letter of Comment No: 4823 File Reference: 1102-100

Jason Kellenbenz 3967 Valley Ridge Drive Fairfax, VA 22033

June 25, 2004

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,

Stock options are the way today's companies can maintain both a motivated staff and an economically sound policy. Due to present day business realities, employers can hardly afford to reward their best people with a fitting salary raise or bonuses. Stock options help to supplement that employee's income and prepare for future retirement. It is important then that a company can offer those workers a stake in the future of the company. However, if the FASB goes through with their plan to mandate the expensing of stock options, they may be come to expensive for companies to continue to issue. Employees like me will lose out on job security and future financial gains.

Stock options are used by employers to reward and motivate employees based on the fact that if the company does well and the stock rises, the employees will see the benefits. Requiring a company to expense these options before they are exercised is just bad accounting.

I hope that you can see this issue from the same perspective as the employee of a small business owner. The mandatory expensing of stock options severely affects the business prospects and livelihood of small business owners and their employees across the country. This proposal needs to be reconsidered so that employees can continue to enjoy a sense of financial security.

Sincerely,

Jason Kellenbenz

cc: Senator Charles Robb Senator John Warner

901 Helly