Hoyt Hagens 3355 N Five Mile Rd # 226 Boise, ID 83713-3925

Letter of Comment No: 4377 File Reference: 1102-100

May 26, 2004

Robert H. Herz, Chairman Director of Major Projects -- File Reference No. 1102-100 Order Department, Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116

Dear Chairman Herz:

Companies use stock options as a tool to reward their employees and create a team atmosphere in an effort to fight for overall success. It is imperative that employers are free to reward their employees in whatever way they feel is most beneficial for both parties. Intervention from the government in the use of stock options would eliminate this freedom of choice.

It is quite clear that the FASB standard is not in the interest of the everyday working men and women of America. It would effectively disenfranchise them by eliminating the stock option plans that have become such an important part of their compensation and long-range financial planning over the past 15 years. Adopting the FASB standard would turn the clock back to the time when stock ownership was for the privileged few. The FASB standard would benefit no one and penalize millions.

Small business owners cherish the flexibility to compensate their employees in a way that benefits all. This is a freedom that has allowed for the continued success of small businesses in the United States. I hope you will support all small businesses of America and agree that it would be a terrible mistake to approve the mandatory expensing of stock options.

Sincerely Yours,

Hoyt Hagens