GM Nameplate

Electronic Input Devices / Injection & Compression Molding / Innovative Graphics

Manufacturing Facilities:

Corporate / Washington
2040 15TH AVENUE WEST
SEATTLE, WA 98119
206-284-2200

California
2095 O'TOOLE AVENUE
SAN JOSE, CA 95131
408-435-1666

North Carolina
300 ACME DRIVE
MONROE, NC 28112
704-283-8175

Oregon
13725 SW MILLIKAN WAY
BEAVERTON, OR 97005
503-646-0444

SuperGraphics
2701 15TH AVENUE WEST
SEATTLE, WA 98119
206-284-2201

GM Nameplate Asia Pte Ltd
53 JOO KOON CIRCLE
SINGAPORE 629103
65-6863-3886

SignRite Design
#109 15540 96TH AVENUE
SURREY BC V4N 3J9
CANADA
604-848-6333

June 23, 2004

Letter of Comment No: 4989
File Reference: 1102-100

Chairman Bob Herz
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

cc: George Batavick, Chair, SBAC

Dear Chairman Herz:

On behalf of the technology small business community, we write to you today in opposition to the proposed expensing of broad based employee stock option plans.

We want to thank you for creating the Small Business Advisory Committee within FASB. This recognition of the unique circumstances that small businesses face when complying with accounting standards and financial reporting is greatly appreciated. Ideally, the SBAC would have been formed and consulted prior to the release of the exposure draft, but we are pleased to see that the committee had its first meeting on May 11th.

Small businesses are the companies that are often times responsible for driving the nation's economy, and we strongly encourage you to consider how harmful this proposal will be. We also believe that the proposed valuation models will place an undue burden on small businesses.

Specifically, we ask you to consider the following:

First, you claim that small business can use a "simpler, less costly intrinsic value method" to account for stock options. But in reality, this is anything but simple. Companies using your proposed method would have to recalculate the expense at every reporting period throughout the life of the option. The valuation and auditing costs associated with this recalculation are expected to be in the range of $100,000 per year.

Second, you claim that small companies do not have to use GAAP accounting. This is just not true. Any company not using GAAP financial reporting will undoubtedly be penalized by lenders. If FASB is asking companies to abandon GAAP you are undermining the importance of this long-standing accounting standard, and surely that is not your intent.

We appreciate your careful consideration of these issues.

Sincerely,

Paul A. Raidna
Chief Financial Officer
GM Nameplate, Inc.

2040 15th Avenue W., Seattle, WA 98119-2783 • 206-284-2200 • Fax 206-284-3705 • www.gmnameplate.com