Pharmatech Corporation

Letter of Comment No: 5000 File Reference: 1102-100

May 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 Robert H. Herz,

Stock option reporting is clearly one of those areas that isn't broken and doesn't need fixing. Companies now have the option of reporting outstanding options as expenses or simply reporting the existence of those options in their annual financial statements. Requiring all companies to 'expense' all options before they are exercised would not only be redundant, but financially misleading.

Furthermore, it is not the government's place to decide how a company chooses to give back to their employees. By imposing their will on a business, the FASB will impede the ability of employers to decide the appropriate incentives to give their employees.

I am confident you will see the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Expensing stock options would hamper economic growth and stifle the emergence of exciting new technologies and businesses. You would also be infringing on how a business owner and employee agree on compensation.

I implore you to reject these unnecessary and burdensome measures.

Granger Roper

Regard