Nevermind Systems Inc

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Robert H. Herz, Chairman

Director of Major Projects—File Reference No. 1102-100

Order Department, Financial Accounting Standards Board

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Letter of Comment No: 4993 File Reference: 1102-100

Dear Chairman Herz:

In a time such as this, business owners are taking every measure available to them to ensure that their company stays in the black. One such measure is the use of stock options as a means of defraying the cost of expensive pay raises. The FASB seems to not understand that principle, though. It is inconceivable to me that the government would make this growth-creating asset more difficult for domestic businesses to use by adding an additional layer of regulation such as this stock option expensing proposal.

The value of an unexercised stock option is a phantom number. And we certainly do not want federal accounting standards based on phantom numbers. There is absolutely no sense in making us report expenses that we haven't even incurred yet. The FASB would only be causing us more regulation headaches that are unnecessary and could have been avoided.

The mandatory expensing of stock options is a serious mistake. I can only hope the FASB doesn't realize it after the fact rather than before. It's time the government took responsibility for the decisions it makes, and represents the people and the businesses in a responsible manner. Please work with us!

William Johnson