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Letter of Comment No: 4840
File Reference: 1102-100

May 26, 2004

Robert H. Herz, Chairman
Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

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

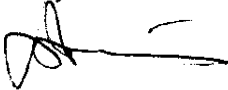
Dear Chairman Herz,

When it comes to my company, it is critical for me to determine how to compensate employees without government involvement. Many companies view stock options as key tool to help promote growth. They allow companies grow more competitive in a global marketplace where competition comes from all over the world. If the government compels companies to expense employee stock options, it would be like handing a gift to our foreign competitors.

The basic concept behind a stock option is simple: The employee receives the stock at a certain value, and as the employee helps with the success of the company, the value of that stock will increase along with the employee's shares in the company's success. As requested by the FASB, mandatory expensing would necessitate a value be placed on a stock option before it has been exercised. But the truth is that the value of that option cannot be determined until it is exercised. This would be yet another hurdle for company finance.

You would be making a serious mistake mandating the expensing of stock options. Small business owners highly value the flexibility to reward their employees as they see fit. This is a freedom that has promoted the ongoing success of the small business in the United States. Please shelve the mandatory expensing of stock options and allow small businesses to remain as the main employer and engine of the economy.

Sincerely,



Ewart Parris