Letter of Comment No: 5056 File Reference: 1102-100

R J Systems

Robert Floyd 2892 Leisure Woods Ln Decatur, GA 30034-3432

May 27, 2004

Chairman Robert H. Herz

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 Robert H. Herz:

Companies are limited when it comes to increasing salaries, so stock options have provided great incentives and have allowed businesses to reward excellent work and help people save for the future. Minimal salary increases just don't cut it. So, a stock option as a form of compensation makes sense for most companies.

We do not want federal accounting standards based on fantasy numbers. Yet that is exactly what we will get if the proposed FASB standard on stock options accounting is enacted. This action would lead to accounting anarchy.

I am confident you will see the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Required expensing of stock options would hinder economic growth and halt the emergence of exciting new technologies and businesses. Since our economy is just now beginning to stabilize, this would prove detrimental to our entire nation. Please object to this proposal. Thank you.