

Micro Methods Inc

Letter of Comment No: 4369
File Reference: 1102-100

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 Herz:

Please don't let the jobless economic recovery pull the wool over your eyes. The market for highly-qualified, highly-skilled people is always available to the highest bidder. A company's ability to offer employee stock option plans is an irresistible resource when it comes to hiring their share of these sought-after recruits. They would be placed at a terrible recruiting disadvantage if they couldn't offer such rewards.

An unexercised stock option does not have a specific value. And we certainly do not want federal accounting standards to be solely based on values that are unknown. Yet that is exactly what we will get if the proposed FASB standard on stock options accounting is passed into a law. This would be a step backwards and would eventually lead to major accounting chaos.

This would be a disastrous mistake if the mandatory expensing of stock options is approved. Small business owners relish in the flexibility to compensate their employees as they see fit. This is a freedom that has given the companies power to continue to succeed in the business world of America. The mandatory expensing of stock options needs to be pushed aside if small businesses are going to continue to be the main employer and engine of the economy.

Sincerely yours,



Lou Gross