R C D & Assoc Inc

Roger Di Gregorio 589 Penny Ln Grayslake, IL 60030-3740

May 26, 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

Letter of Comment No: 4367 File Reference: 1102-100

Dear Chairman Robert H. Herz:

The FASB's current proposal to require mandatory expensing of stock options will be severely damaging to the business community-particularly small businesses!

Due to present day business realities, employers can ill afford to reward their best people with a fitting salary raise. It is at this point when a company can offer those workers a stake in the future of the company. Through stock options, a company can maintain both a motivated staff and a fiscally sound policy. But the FASB's proposal will deter companies from offering employees stock options as it will unfavorably skew their financial reports.

It simply doesn't make sense to expense a stock option before it is exercised by an employee. Until that time, there is no way to determine the accurate value of the option. Mandatory expensing is like requiring you to pay a credit card bill before anything is charged on it. One does not have to be an accountant to figure that out.

I know that you are a very busy person who does not have time to acknowledge every request from each constituent. However, this is a very important issue that affects personal freedom, job creation, and economic growth. It needs to be addressed in order to ensure the future success of small businesses in America.

Thank you for your time and consideration.

Regards,

Roger Di Gregorio