Absolute Computer Solutions

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Letter of Comment No: 3846
File Reference: 1102-100

May 27, 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 Robert H. Herz:

Stock options provide another option for some companies to use as a reward. If the government gets drawn into this important means of compensation, it is no different from shoving a new tax or regulation on businesses. This measure will cost small businesses a tremendous amount of money.

There is no sure way of knowing exactly what the value of an unexercised stock option is at the time of purchase. We certainly do not want federal accounting standards based on numbers that do not exist. Yet that is exactly what we will get if the proposed FASB standard on stock options accounting becomes law. This would be detrimental to the economy and would lead to accounting chaos.

I sincerely appreciate you taking you valuable time to mull over my concerns. I feel that the mandatory expensing of stock options is a very significant issue that could have a severely adverse affect both on existing small businesses and those planned in the future. It is imperative to realize that personal freedom is involved in this situation. I thank you once again for your time and consideration.

Sincerely,

Brent Richard

P.S. If there is a good reason why a business should not make their own decision in these matters please write me and let me know.