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# Eastside Presbyterian Church

Shane Nanney

May 26, 2004

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

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

**Letter of Comment No: 3840**  
**File Reference: 1102-100**

Dear Chairman Herz,

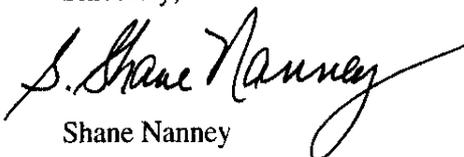
I write because as America struggles for full economic recovery, the last thing businesses need is a mountain of unnecessary and expensive reporting requirements. From the point of view of greater financial transparency, the proposed FASB standard is totally unnecessary since complete disclosure of outstanding stock options is already required in a company's financial statements. From the expense perspective, the proposed FASB standard would create a new level of reporting bureaucracy and force companies to report expenses well in excess of the expenses actually incurred. I don't see how that benefits companies or their shareowners, do you?

With any successful business, the need to invest in the future often means a company does not have a surplus in current operating funds that will allow them to reward exceptional performance with on par salary increases that might be available from larger companies. With stock options, employers can reward outstanding performance by giving exceptional employees a larger share of the future they are helping to build. It creates no strain on current expenses and gives employees the incentive to do even better and helps even the playing field between large and small employers.

I sincerely appreciate you taking the time to review my concerns. I feel that the mandatory expensing of stock options is an important issue that could have a grossly adverse affect both on existing small businesses and those planned in the future. The issue of personal freedom involved in this issue is also imperative.

Thank you once again for your time and consideration.

Sincerely,

  
Shane Nanney

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