

Worldpost Technologies Inc

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Letter of Comment No: 3796
File Reference: 1102-100

May 20, 2004

Robert H. Herz, Chairman
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:

Top talent requires top rewards. Small businesses need whatever incentives possible to lure the best and brightest employees to work for them. Companies ask them to take a risk by joining them and it is only logical that bright people will expect a level of reward commensurate with the level of risk. Stock options allow companies to offer that level of reward. The FASB is making some disconcerting moves to make that option too difficult to be feasible, and I am writing today to ask that it reconsider.

The big accounting scandals of the last few years were generally caused by companies that mis-stated their numbers to produce higher profits and asset values that had no connection with reality. What an irony that FASB is now proposing an accounting standard that would force companies to misstate their numbers to produce higher expenses and lower profits that have no connection with reality. The only difference is that most small businesses can't afford the huge budget problems that the big companies can. We need more responsibility, not a governmental agency asking us to guess about things!

I hope that you can see this issue from the same perspective as a small business owner. I understand this is just one of the many important issues you deal with on a daily basis and I thank you for taking the time to read this. I do feel however that there are few policies as important as the mandatory expensing of stock options. It severely affects the business prospects and livelihood of small business owners and their employees across the country. This proposal needs to be shelved in order to allow small business an opportunity to continue to thrive.

Sincerely,



Roy Schwaerzel