Letter of Comment No: 3828
File Reference: 1102-100

Returngoods Software Inc

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May 26, 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 Herz:

Minimal salary increases have been a fact of life in most businesses for the last 10 years. Even with a restricted ability to boost salaries, stock options have allowed businesses to reward excellent work and help our people build nest eggs for the future. In an age of bigger and better funded corporations luring away the best employees that some of us have---we need any break that we can get to keep them on hand. To that end, stock options are an incredibly valuable tool. The FASB should keep from over regulating these stock options to the point of uselessness.

If FASB or anyone else wants to know how many unexercised stock options a company has outstanding, that information is easily available in the footnotes of their financial statements. The complicated reporting requirements contained in the proposed FASB standard are not only unnecessary, they are financially irresponsible. There is no need to expense all stock options before they are exercised just to let the public know they exist. The existence of outstanding stock options is clear to anyone who cares to open a company's financial statements.

Please don't let us down in this, our hour of need. We need stock options as a tool to keep the doors open and business in the black. To regulate them such as this would force us to possibly remove stock options from our list of incentives; and that could cause us many problems down the road.

Sincerely,

Tony Lim