## **Aufbau Business Systems Intl**

1300 Gemini St Apt 1101 Houston, TX 77058-6015

May 25, 2004

Letter of Comment No: 3814 File Reference: 1102-100

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:

As a business owner I have not personally offered my employees stock options, but in the past I have been offered them myself by another employer and can attest to their motivational value. For years stock options have allowed businesses to reward excellent work and help our people build nest eggs for the future. This form of compensation makes practical sense for most companies, their people and their outside shareowners. Why fool with a good thing?

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. Can't you see the foolishness of this proposal?

I appreciate your busy schedule and can understand that you do not have time to acknowledge every request from each constituent. This is a very important issue, however, that affects personal freedom, job creation, and economic growth. It needs to be addressed in order to insure the future success of small businesses in America. Thank you.

Sincerely,

Kyle Maschmeyer

P.S. Many stock options are never exercised.

KA Marchanger