

Grace Deliverance Church

April 29, 2004

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: 2290
File Reference: 1102-100

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

Dear Chairman Herz,

Thank you for reading my letter concerning possible changes in the FASB's regulations regarding stock options.

The idea behind a stock option is that an employee receives the stock at a certain value. As the employee helps with the success of the company, the value of that stock will increase and the employee shares in the company's success. In my opinion, mandatory expensing, as proposed by the FASB, would require a value be placed on a stock option before it has been exercised, when in fact the value of that option cannot be determined until it is exercised. This would be yet another roadblock for company finance. Do we really need to come up with essentially a 'fake' number?

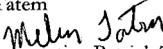
Stock options are incredibly valuable to small start-up companies. A company's ability to offer stock options allows that company to provide their employees a valuable incentive to help themselves by helping the company to succeed. Thanks to stock option programs, employees know that the company's success is their success as well. Stock options keep employees pulling hard in the same direction. Stock options have proven to be an invaluable motivational tool.

I sincerely appreciate you taking the time to mull over my concerns. I believe mandatory expensing of stock options is an important issue that could have a severely 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.

I thank you once again for your time and consideration.

Sincerely,

Melvin Tatem


cc: Representative Patrick Toomey