



Servant Systems Inc

May 8, 2004

Letter of Comment No: 2483
File Reference: 1102-100

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

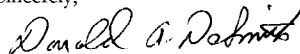
Dear Chairman Herz,

Stock options provide an alternate means of compensation for small businesses. If the government interferes with this important means of compensation, it would be similar to imposing a new tax or regulation on business. This measure will cost small businesses money as well as good employees.

The FASB is on a mission to ensure that the recent corporate financial scandals do not occur again. Nobody wants such scandals to occur. However, the FASB is using the public disgust from these scandals to push through mandatory expensing which will actually hurt the ability of the average employee to invest for their future. Many employees are counting on stock options to provide financial security, and mandatory expensing will hinder that security.

Finally, I would like to thank you for your time in hearing me out this important issue. I understand that you are a very busy person who does not have time to acknowledge every request from each constituent. However, this is a very important issue 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.

Sincerely,


Donald DeSmith

P.S. But FASB should decide, not Congress.