Letter of Comment No:2482 File Reference: 1102-100

Crystal Van Sickle

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

Chairman Robert H. Herz Order Department, Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116

Dear Chairman Herz:

Given the current economic situation which borders on deflationary as well as the need to remain competitive, very strict and pragmatic limits have had to be placed on the amount of salary increases a company can offer its employees in return for loyal and honorable service. That is why the ability to offer stock options has become so imperative. Stock options allow businesses to reward exceptional performance by giving valued employees an increased stake in the company's success. Through stock options, employees are encouraged to earn a greater return for outside investors and for themselves. This is why I am so vehemently opposed to the FASB plan to mandate expensing of stock options.

As I am sure you are aware, the true value of an unexercised stock option is an imaginary number. That is why I am certain you agree that we would not want federal accounting standards to be based on imaginary numbers. However, that is exactly what we will get if the proposed FASB standard on stock options accounting is permitted to become law. This would be a step backwards and lead to accounting chaos which is what the FASB is trying to put an end to.

Mandatory expensing of stock options is an extremely important issue that impacts on personal freedom, job creation, and economic growth. Therefore, it needs to be addressed in order to insure the future success of small businesses in America. Please refuse the FASB's request and keep our free market enterprise exactly that: FREE! Thank you for your time and attention.

Warm Regards,

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