Letter of Comment No: 2474 File Reference: 1102-100

Centereach True Value Hardware

1408 Middle Country Rd Centereach, NY 11720-3512

May 1, 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:

For well over ten years now, minimal salary increases have been a fact of life in most businesses across the country. However, despite this restricted ability to raise salaries, 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 employees, and their shareowners.

I am certain that the FASB's members understand that business owners don't really know how much a stock option costs their company until somebody actually exercises that option. This is basic Accounting 101. Mandatory expensing of stock options would force U.S. companies into a wasteful, time consuming and guessing game. In its zeal for corporate reform, FASB seems to be leaving logic behind.

As a business owner, I firmly believe that mandatory expensing of stock options is a serious mistake. Small business owners, like me, cherish the flexibility to compensate their employees as they see fit. This is a freedom that has allowed for the continued success of the small business in the United States. The mandatory expensing of stock options needs to be totally abandoned if small businesses are going to continue to be the main employer and engine of the economy. Thank you.

Gary Hagen

Sincere

cc: Senator Charles Schumer