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

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

Dear Chairman Herz:

I am writing today in the hopes of persuading the FASB to not implement its latest plan to expense stock options upon issue. Though my company doesn't issue stock options itself, I can certainly see where this issue would be detrimental to other small businesses that do choose to issue those. It is not the government's place to decide how a company chooses to give back to their employees. By imposing their will on business, the FASB will impede the ability of employers to decide the appropriate incentives to give their employees.

Perhaps the FASB members are acting with good intentions, but the results would be a disservice to working men and women across America. These men and women have begun to enjoy and depend upon employee stock option programs as a form of compensation and long-term financial security. I'm fairly certain that progress isn't made by applying additional layers of red tape. The government needs to stay out of this one and let the chips fall where they may.

This is a critical issue to small businesses everywhere for many reasons. The first reason that comes to mind is because it could make stock options too much of a hassle to afford to provide. Second, it could signal the start of major government interruption in many sectors of business that doesn t truly need it. It's time the government stepped out of this one and let the business owners run their own affairs.

Sincerely,

Marty Beam