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File Reference: 1102-100

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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:

Stock options mean companies can offer their employees a direct stake in the growth that those employees are asked to create. They are creating wealth for themselves as well as wealth for the company and its investors. Self-interest is a powerful motivator and stock options give employees a very clear self-interest in the future success of their company. The FASB needs to understand this in no uncertain terms before it moves forward with trying to get us to expense the stock options we provide to employees before they are even exercised!

Stock options are an excellent way to encourage and maintain the entrepreneurial drive that makes the technology and business sectors in the United States so successful. By giving employees a stake of ownership in their work, the quality and quantity of work goes through the roof! Please don't take this away from us by making it too complicated to continue!

I hope that you can see this issue from the same perspective as a small business owner. I understand this is just one of the many important issues you deal with on a daily basis and I thank you for taking the time to read this. Stock options are something that I value highly as a method of keeping and recruiting the best of the best. Without them, I don't see small businesses growing at the same rate. Please work with us!

Sincerely,

Constance John

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