Letter of Comment No: 3149 File Reference: 1102-100

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Robert H. Herz, Chairman Director of Major Projects -- File Reference No. 1102-100 Order Department, Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116

Dear Chairman Herz:

I enjoy the ability to choose how to compensate my employees without worrying about additional government regulation. Employee stock options are a great source of motivation for American businesses and their employees. It is possible to enforce corporate governance standards without making it impossible for businesses to issue stock options.

Anyone who cares to can look up a company's outstanding stock options in the annual financial statement. Forcing companies to declare stock options as expenses before they are exercised will not improve the transparency of corporate finance, but it will create an unnecessary reporting burden on companies and distort the accuracy of their financial report in the process. I feel it is bad accounting and that the all statements provided are important, therefore they all need to be honest, clear and not deceptive.

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. I do feel, however, that there are few policies as important as the mandatory expensing of stock options. It severely affects the business prospects and livelihood of small business owners and their employees across the country. Please do not allow this dangerous proposal to become law.

Sincerely Yours,

mes Flewelling