Mark Reiners

May 26, 2004

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

Letter of Comment No: 3148 File Reference: 1102-100

Dear Chairman Herz,

Sincerely,

Today, companies can decide they best way to compensate employees without the complication of government involvement. One such method available are stock options. Stock programs allow businesses to build a fierce and loyal workforce that assist in the further success of the company. To think that the government would make this growth-creating advantage more trying for domestic businesses to use by adding an additional layer of regulation is absolutely unbelievable.

It seems pretty evident that the FASB standard is not in the best interest of everyday working men and women. In fact, eliminating stock option plans would effectively restrict what has become a vital part of their compensation and long-range financial planning over the past 15 years. If the FASB standard gains passage, it would turn back to the days when stock ownership was for the elite, thereby helping no one and punishing millions.

It would be a grave error to mandate the expensing of stock options. Small business owners value the ease to compensate their employees as they see fit. This is a freedom that has afforded the continued success of the small business in the United States. The mandatory expensing of stock options needs to be shelved if small businesses are going to remain as the main employer and engine of the economy.

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PS On the other hand, recognizing that these have been very real macks a nucro-economic costs as reciated with the feedback from megative as pecte of the abuse of mappeopriate uses or implementations of stock options, we would not be categorically appoint to meagure mare selectively impring senatties for such cases; estatively condition to mumicious the compliance living affective in delation to mumicious the compliance livindeurs and more heavy hounded measures.

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