

Bizmonkey

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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,

It is important to me that my company, and other companies like mine, can choose to compensate employees without government involvement. Many companies consider stock options an important tool that helps encourage growth. They allow companies to become more competitive in a marketplace where competition comes from all over the world. But if the government forces companies to expense employee stock options, it would be like handing a gift to our foreign competitors.

The idea behind a stock option is that an employee receives the stock at a certain value. As the employee helps with the success of the company, the value of that stock will increase and the employee shares in the company's success. Mandatory expensing, as proposed by the FASB, would require a value be placed on a stock option before it has been exercised, when in fact the value of that option cannot be determined until it is exercised. This would be yet another roadblock for company finance.

I currently do not use stock options, but if I were to use them in the future, I would like to have a say in it—not the government. I am confident that you will see the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Expensing stock options would hamper economic growth and halt the emergence of exciting new technologies and businesses. You would be infringing on how a business owner and employee agree on compensation.

I implore you to help fight these unnecessary and burdensome measures.

Sincerely,



Benjamin Whitaker