Living Water Inc

Letter of Comment No: 3141 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 Robert H. Herz,

I feel confident today that I get to choose how to compensate my employees without worrying about additional government regulation around the type of compensation I choose to offer. Currently I do not offer my employees stock options, but I feel that we, as small business owners, should retain that right to offer such a reward to our employees without it costing an outrageous amount of money. Employee stock options are one source of energy for American businesses. We can certainly enforce corporate governance standards without taking away the ability for businesses to issue stock options. Government intervention will put too much of a control on how employers compensate their employees.

With more and more of the country's labor force working towards their own retirement and financial security, the importance of stock options is rising for the everyday employee. If the FASB decides to implement mandatory expensing, it could destroy these employee stock plans, thus making it even harder for the workforce to prepare for the future.

The mandatory expensing of stock options is a grave mistake. Small business owners cherish the flexibility to compensate their employees the way they see fit. This is a freedom that has allowed for the continued success of the small business in the United States. The mandatory expensing of stock options needs to be discarded if small businesses are going to continue to be the main employer and engine of the American economy.

Regards,

Kenneth Harpster