Kinsley Technology

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May 25, 2004

Chairman Robert H. Herz
Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 3130 File Reference: 1102-100

Director of Major Projects - File Reference No. 1102-100

Dear Chairman Herz,

During difficult and often stressful economic times, stock options have proven to be the best way to show employees that you not only value them but you want them to value where they work. In general, the employees who receive stock options are the very same people who have demonstrated a greater ability to serve the customers and the business itself. That is why I believe the use of stock options should be encouraged, not discouraged. However, that is exactly what the FASB appears to be doing by attempting to force companies to expense stock options immediately.

Explain to me, if you can, how the FASB could even consider mandating the expensing of stock options? What sense is there in asking us to guess at the value of a stock before it's even been traded in by an employee? Does it not make sense to the FASB that this would only cause accounting nightmares and bad bookkeeping by companies that can't possibly see into the future?

After careful consideration of the facts, I am confident you will see the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Required expensing of stock options would hamper economic growth and halt the emergence of exciting new technologies and businesses. Since our economy is just now beginning to stabilize, this would prove detrimental to our entire nation. You would be infringing on how a business owner and employees agree on compensation. Therefore, I ask you to help fight these unnecessary and burdensome measures by saying no to mandatory expensing.

Regards,

William Bogasky