

HEC LLC

Ron Gibbs

May 24, 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: 3122
File Reference: 1102-100

Dear Chairman Herz,

Even though I currently do not offer stock options, I feel it is important to my company, and other companies like mine, to be able to choose to compensate employees without government involvement. Many companies consider stock options an important utensil that helps encourage growth. They allow companies to become more competitive in a marketplace where competition derives from all different areas of the world. If the government forces companies to expense employee stock options, it would be like handing a present to our foreign competitors.

Stock options are a legitimate business expense, but there is not way of knowing for sure what the size of that expense is until the options are actually exercised. The proposed FASB standard has it all backwards. FASB would force companies to report the expense of a stock option before it is exercised. Let's leave these type of predictions to the stock market analysts. We should base our accounting principles on real facts, not our best guess about what could possibly happen in the future.

Finally, I would like to thank you for your time in hearing out this very important issue. I am fully aware of your time restraints and I admire the fact that you are taking the time to try to acknowledge a lot of requests from all of the fellow constituents. In my opinion, this is a very important issue that affects personal freedom, job creation, and economic growth. It needs to be addressed in order to insure the future success of all businesses in America.

Sincerely,



Ron Gibbs

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