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**Sky View Club**

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Eugene Biese

April 30, 2004

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

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

**Letter of Comment No: 2520**  
**File Reference: 1102-100**

Dear Chairman Herz,

I appreciate you taking the time to address my concerns regarding the FASB's proposal to change the way stock options are handled in necessary accounting practices.

As you well know, a company's ability to offer stock options allows that company to provide their employees a valuable incentive to help themselves by helping the company to succeed. Thanks to stock option programs, employees know that the company's success is their success as well. Stock options keep employees pulling hard in the same direction. In this environment, the employees know that a company's success is their success as well.

Without adding anything in the way of new corporate governance protection, the FASB accounting standard on stock options would inflate the cost of employee compensation plans for every company that uses stock options. There is absolutely no good reason to declare stock options as an expense as soon as they are issued. The end result could very well be to eliminate stock options as a broad-based employee benefit. That would be a terrible loss to American economic growth. It would also be a huge slap in the face for millions of small businesses trying to attract the most talented employees.

I'm sure you will see the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Expensing stock options would only 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. Thank you for your time and attention to this important issue.

Sincerely,



Eugene Biese

cc: Representative Mark Green

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