Letter of Comment No: 3/09 File Reference: 1102-100

Globalscape Inc

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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,

The top talent that companies have to recruit to keep their business healthy would not look at them if they couldn't offer those recruits a stake in the future of the company through stock options. Small businesses ask these people to take a risk by joining them, and it is only logical that the best and brightest people would expect a level of reward commensurate with the level of risk. Stock options allow companies to offer that level of reward.

Stock options are used by employers to reward and motivate employees based on the fact that if the company does well and the stock rises, the employees will see the benefits. Depending on when the employee exercises the option, the stock will be at different prices. How on earth is a company supposed to figure out what that price would be? That is exactly what we are being asked to do, and it simply isn't fair---or responsible. The FASB should be hearing this from all corners right now.

The mandatory expensing of stock options is a serious mistake. Small business owners cherish the flexibility to compensate their employees as they see fit. This is a freedom that has allowed for the continued success of the small business in the United States. Small businesses need whatever breaks they can get. Please show us that you are willing to give us a break, and vote down this legislation!

Sincerely

Randy Poole