

*Xfer International Inc.*  
**8590 N Canton Center Rd**  
**Canton, MI 48187-1310**

Letter of Comment No: 3097  
File Reference: 1102-100

May 6, 2004

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

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

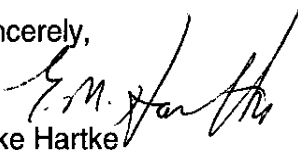
Dear Chairman Robert H. Herz:

During these times of an unstable economy, it is an uphill struggle for many companies to attract talented individuals to come and work for them. In fact, it would be all but impossible to attract those individuals without the ability to offer stock options. These stock options are a way of showing prospective employees that a company believes in its own future and will offer their employees a stake in that future.

In its quest for corporate reform, the FASB seems to be leaving logic behind. The FASB's leadership must understand it is impossible to know how much a stock option costs a company until the employee actually exercises that option. This is a fundamental principle of accounting. Mandatory expensing of stock options would force American companies into a wasteful guessing game.

I hope you can see this issue from the perspective of a small business owner. It severely affects the business prospects and livelihood of small business owners and their employees across the country. This proposal needs to be rejected in order to allow small business an opportunity to continue to thrive. I understand this is just one of the many important issues you deal with on a daily basis and I thank you for taking the time to read this. However, I do feel that there are few policies as important as the mandatory expensing of stock options.

Sincerely,

  
Mike Hartke