

Eventrebelscom Inc

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Letter of Comment No: 4746
File Reference: 1102-100

May 25, 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:

As a small business owner, I need as many options as possible! That is why I am so opposed to the FASB's plan to mandate the expensing of stock options.

Stock options provide an alternate means of compensation for some companies. If the government is permitted to get involved in this important means of compensation, it is no different from imposing a new tax or regulation on business. This proposal will cost small businesses real money.

Surely FASB's membership must understand that there is no way of knowing how much a stock option costs a company until somebody actually exercises that option. This is an essential principle of accounting. Mandatory expensing of stock options would force U.S. companies into a wasteful guessing game. In its zeal for corporate restructure, FASB seems to be leaving logic behind.

I am very confident that you will see all of the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Expensing stock options would impede economic growth and halt the emergence of exciting new technologies and businesses. You would be intruding on how a business owner and employee agree on compensation. I urge you to help fight these unnecessary and burdensome measures.

Sincerely,

K C Hopson

