

Letter of Comment No: 4858  
File Reference: 1102-100

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

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

Dear Chairman Herz

As I am sure you are quite aware, stock options are a legitimate business expense. However, there is no way to ascertain the exact amount of that expense until the options have been exercised. That is why the proposed FASB standard would be such a terrible error in judgment because they would be forcing companies to report an expense before it is even recognized. This is bad accounting principles! Don't you agree that we should leave these types of predictions to the stock market analysts? We should base our accounting principles on real facts, not our best guess about what might happen in the future.

Financial statistics show that stock option plans foster a unique relationship between employees and their employers. These plans help employees to develop a team spirit and improve company performance in ways to numerous to list. As an employee, I have come to depend on such rewards. However, if the FASB's proposed mandating of stock option goes in to effect, it will have a negative impact on many employees if companies decide that issuing the options is not worth the accounting hassle that the FASB seeks to create. Please do not allow this to happen!

I sincerely hope that you will take a few moments out of your very busy schedule to look at the disadvantages of the mandatory expensing of stock options as American employees see them. The only thing that the expensing of stock options would do would be to hamper economic growth and prevent employees from providing for their own economic future. By allowing this outrageous plan of the FASB to become a reality, you would be infringing on how a business owner and employees agree on compensation. You would be denying us the right to determine our own financial futures. That is why I urge you to say 'no' to mandatory expensing of stock options.

Warm Regards,



William Ackley

cc: Senator Barbara Boxer  
Senator Dianne Feinstein