Letter of Comment No: 4850 File Reference: 1102-100

6/23/04

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:

The FASB has proposed mandatory expensing which would require a value be placed on a stock option before it has been exercised, when in fact the value of that option cannot be determined until it is exercised. This would be yet another roadblock for company finance.

As always, the government continues to have a foothold on red tape and unnecessary practice. However, the proposal of the FASB to require further disclosure of unexercised stock options, which are already available on a company's financial statements, seems to be nothing more then an exercise in futility. Such a proposal would be another hindrance to efficient operation of the financial community by creating bookkeeping errors. Small businesses cannot afford the time involved or the serious problems that these errors would create. Therefore they would have no choice but to stop offering stock options in their benefits packages. Who would be hurt? The employees.

That is why I am confident that, after you carefully examine all of the fact, you will see the disadvantages of the mandatory expensing of stock options as small hard working employees across America see them. Expensing stock options would hamper economic growth and prevent us from having even a little control over our own financial destinies. You would be infringing on how a business owner and employee agree on compensation. Won't you please support the needs of the working person and help fight these unnecessary and burdensome measures? Your assistance will be greatly appreciated.

Sincerely,

Jérry Peevyhousé

2514 Calma Ct. San Jose, CA 95128

cc: Senator Barbara Boxer Senator Dianne Feinstein