Letter of Comment No: 3845 File Reference: 1102-100

Information

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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 Herz:

It is important for small businesses to have stock options available for employees without government involvement. A company's ability to offer stock options allows that company to provide their employees a valuable incentive to help themselves by helping the company to succeed. Stock options keep employees pulling hard in the same direction.

Anyone who wishes to can look up a company's outstanding stock options in the company's annual financial statement. Obliging companies to declare stock options as expenses before they are exercised will not improve the transparency of corporate finance, but it will create an unnecessary reporting burden on companies and distort the accuracy of their financial reporting in the process. No one will benefit from the proposed FASB standard.

Don't turn your back on small business owners! Please vote down any mandatory expensing of stock options and let us focus on running our businesses without unnecessary added reporting bureaucracy.

I appreciate your time.

Sincerely, Smith Jemont Smith