## Electrolysis by Donna

May 24, 2004

Robert H. Herz, Chairman Order Department, Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116 Letter of Comment No: 3800 File Reference: 1102-100

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

Dear Chairman Herz,

A small business often does not have a surplus in current operating funds that will allow them to reward exceptional performance with large salary increases. With stock options, employers can reward exceptional performance by giving these employees a larger share of the future they are helping to build. This causes no strain on current expenses and gives employees the incentive to do even better.

Until a stock option is exercised by an employee, there is no way to determine the accurate value of that option; therefore, it makes no sense to expense a stock option before it is exercised. Mandatory expensing is like requiring you to pay a credit card bill before anything is charged on it.

I appreciate you taking the time to think over my concerns. I feel that the mandatory expensing of stock options is an important issue that could be severely adverse to existing small businesses and those planned in the future. The issue of personal freedom involved in this is also imperative. I thank you for your time and consideration.

Sincerely, Marina Muller

Donna Nielsen