## M.A. Zurakov & Co

Letter of Comment No: 3835 File Reference: 1102-100

5242 Brown St Skokie, IL 60077-3616

May 26, 2004

Robert H. Herz, Chairman

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

Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116

Norwalk, CT 06856-5116

Dear Chairman Herz:

I'm writing to you because I'm concerned with the FASB proposal to mandate the expense reporting of stock options.

Stock options are a lucrative component in the compensation package a business offers its employees. A good compensation package goes beyond salaries. Stock options are a great employee motivator. The current system works and I am satisfied with it.

The value of unexercised stock options is a 'guesstimate' at best. We certainly do not want federal accounting standards based on such 'guesstimates'. However, this will be the case if the proposed FASB standard on stock options is enacted into law. That would be a step backwards and would lead to an accounting nightmare.

Please oppose any mandatory expensing of stock options and let us focus on running our businesses without unnecessary added reporting bureaucracy. It is in the best interest of small businesses like mine and I hope you will keep this in mind and help see that this proposal does not go forward. Thank you for your assistance.

Sincerely,

Michael Zurakov