Mike Stephenson

K R C Technologies 4431 Donald Ave San Diego, CA 92117-3815 May 26, 2004

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

Letter of Comment No: 3830 File Reference: 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:

Stock options allow companies to offer their employees a direct stake in the growth that those employees are asked to create. They are creating wealth for themselves as well as wealth for the company and its investors. Self-interest is a powerful motivator and stock options give employees a very clear self-interest in the future success of their company.

The financial community has never been able to accurately predict the future. Yet the FASB, through its proposal for mandatory expensing, is asking them to start. There is simply no way the value of a stock option can be determined until the employee exercises that option.

I am confident that you will see the disadvantages of the mandatory expensing of stock options as small business owners across America see them. Expensing stock options would limit economic growth and halt the emergence of exciting new technologies and businesses. You would be infringing on how business owners and employees agree on compensation. I encourage you to help fight these unnecessary and burdensome measures.

Thank you!

Sincerely Yours,

Mike Stephenson