Letter of Comment No: 2478 File Reference: 1102-100

Stacy Pahl 101 W Big Beaver Rd Fl 14 Troy, MI 48084-5253

May 7, 2004

Chairman Robert H. Herz **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,

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. Since stock prices vary from day to day, how can the FASB expect a company to put a value to these stock options?

The mandatory expensing of stock options is a serious mistake. Small business owners cherish the flexibility to compensate their employees as they see fit. This is a freedom that has allowed for the continued success of the small business in the United States. The mandatory expensing of stock options needs to be stopped if small businesses are going to continue on as the driving force for the American economy.

Please support small business owners and oppose the proposal for mandatory expensing of stock options.

Sincerely.

Stacy Pahl

Stacy Pale