Data Expedition Inc.
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Norman, OK 73069-4954

Letter of Comment No: 2606
File Reference: 1102-100

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:

Today, business operates in a cutthroat and near deflationary climate. Unfortunately, there are strict realistic limits on the amount of salary raises we can offer in return for exceptional performance. Stock options allow us to reward phenomenal work by giving those employees a larger stake in the company's growth and future. With stock options, employees are motivated to work towards a greater return for outside investors and for themselves.

The notion behind a stock option is that an employee receives the stock at a certain value. As the employee drives the success of the company, the value of that stock will increase along with the employees shares in the company's success. Mandatory expensing, as requested by the FASB, would necessitate an amount be placed on a stock option before it has been exercised, when in fact the value of that option cannot be determined until it is exercised. This would be yet another hindrance for company accounting.

A grave mistake would be made with the mandatory expensing of stock options. Small business owners relish the flexibility to compensate their employees as they see fit. This is a freedom that has allowed for the ongoing success of the small business in the United States. The required expensing of stock options must be trashed if small businesses are going to continue to be the main employer and engine of the economy.

I appreciate your time and energy to this serious issue.

Sincerely,

Ted Rossier