

# Vender Managed Technologies



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Chairman Robert H. Herz  
Order Department, Financial Accounting Standards Board  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

**Letter of Comment No: 2480**  
**File Reference: 1102-100**

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

Dear Chairman Herz,

Stock options allow companies to offer their employees a direct stake in the growth that these employees are asked to produce. They are producing wealth for themselves as well as wealth for the company and its shareholders. Self-interest is a powerful motivator. Stock options give employees a clear self-interest in the future success of their company.

It just doesn't make sense to expense a stock option before an employee exercises it. Until that time, there is no way to determine the accurate value of the option. Mandatory expensing would be like requiring someone to pay a credit card bill before anything is charged on it.

The mandatory expensing of stock options would be a mistake. Small business owners cherish the flexibility to compensate their employees as they see fit. I know that this issue is an important one for our company because we are seriously considering offering stock options to our employees in the near future. As I am sure you can appreciate, 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 shelved if small businesses are going to continue to be the driving force of the economy.

Thank you for your time.

Regards,

Yvonne Wyborny