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Letter of Comment No: 2383 File Reference: 1102-100

From:

hklassen@echelon.com

Sent: Wednesday, Ma

To:

Wednesday, May 12, 2004 5:08 PM

Director - FASB

Subject: File Reference No. 1102-100, Comment on FASB Stock Option Proposal



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Dear Mr. Robert Herz:

I am writing in reference to FASB's invitation to comment on its exposure draft, "Share-Based Payment," an amendment of Statements No. 123 and 95.

I am personally very concerned about this proposed action. While I applaud the wide spread effort to make sure that investors are able to gain a clear picture into the financial health and status of a company, I don't believe that this action will provide a positive step forward. In fact, this action may cause a more "muddied" view than exists today. The information you wish to make public is already available on standard reports as companies already disclose the estimated value of the stock options in the form of either a footnote to the income statement or an outright expense. All investors need to take stock options into consideration when evaluating a company is currently available.

The outcome if this admendment passes will be extremely harmful to smaller businesses that use stock options as a way to reward employees for creating a successful and thriving company.

I truly hope that you will consider the full impact of your proposal and make the right decision.

Sincerely,

Houston Klassen 6126 Martens Way Fargo, ND 58104