Letter of Comment No: 318| File Reference: 1102-100

Byte Of Success Inc

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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 Herz:

Please do not enact rules that will deter companies from issuing stock options to their employees.

In many ways, small businesses are at a disadvantage to their larger competitors. Stock options are used by small businesses to help gain traction in the fight for the best possible employees. Without stock options, small businesses may lose their grip in the struggle for top notch recruits. I can appreciate first hand the motivating impact that stock options have--I was a recipient in the past through ESBY.

Stock options reporting is clearly one of those areas that isn't broken and doesn't need fixing. Companies now have the option of reporting outstanding options as expenses or simply reporting the existence of those options in their annual financial statements. Requiring all companies to 'expense' all options before they are exercised would not only be redundant, but also financially misleading.

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 hamper economic growth and halt the emergence of exciting new technologies and businesses. You would also be infringing on how a business owner and employee agree on compensation.

I implore you to reject these unnecessary and burdensome measures.

Sincerely Yours,

Chaim Yudkowsky

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