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

Letter of Comment No: 3143
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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

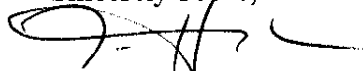
Dear Chairman Herz:

In the competitive, near deflationary business climate we currently operate in today, there are strict practical limits on the amount of additional salary we can offer in return for exceptional performance. It is at this point when a company can offer those workers a stake in the future of the company. Through stock options, a company can maintain both a motivated staff and a fiscally sound policy.

Until an employee exercises their stock options it would be virtually impossible to determine an accurate value for them. The reporting of inaccurate financial information would paint a false picture for a company's employees and its investors and could potentially cause declines in stock prices. As you can see, the mandatory expensing of stock options would be a huge mistake!

The small business owners of America currently have the flexibility to compensate their employees as they see fit and this is a freedom that has allowed for the continued success of small business in the United States. The mandatory expensing of stock options needs to be shelved if small businesses are going to continue to drive the economy and improve today's business climate.

Sincerely Yours,



Jonathan Hyde