Beljan Ltd 2870 Baker Rd Dexter, MI 48130-1114

Letter of Comment No: 2546 File Reference: 1102-100

May 8, 2004

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 Robert H. Herz:

Minimal salary increases have been a fact of life in most businesses for the last 10 years. Even with a restricted ability to boost salaries, stock options have allowed businesses to reward excellent work and help employees invest for their future. This form of compensation makes practical sense for most companies, their people and their outside shareholders.

The value of an un-exercised stock option is a phantom number and federal accounting standards should be based on actual numbers not phantom numbers. If the proposed FASB standard on stock options accounting is permitted to become law this is exactly what we will be reporting. This would be a step backwards and lead to accounting chaos.

I understand that you are very busy and do not have time to acknowledge every request from each of your constituents. However, this is a very important issue that affects personal freedom, job creation, and economic growth. It needs to be addressed in order to insure the future success of small businesses in America.

Thank you for your time in hearing out my thoughts regarding this important issue.

Sincerely,

Faith Krug