Letter of Comment No: 2811 File Reference: 1102-100

Capstone Consulting Inc

201 Spring St Saint Johns, MI 48879-1533

May 7, 2004

Robert H. Herz, Chairman

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

Order Department, Financial Accounting Standards Board

401 Merritt 7, P.O. Box 5116

Norwalk, CT 06856-5116

Dear Chairman Herz:

As a small business owner, I believe it should be my choice to determine what employee compensation plans I implement for my business. Most business people realize that stock options allow us to offer our employees a direct stake in the growth or our business; something they can actively take part in. Employees who are offered stock options are creating wealth for themselves, the company and its investors. One of the greatest motivators in business is self-interest and stock options give employees a very clear self-interest in the future success of their company.

I am fully aware of what the FASB is trying to do by mandating the expensing of stock options; they are on a mission to ensure the recent corporate financial scandals are never allowed to happen again. I agree nobody wants such scandals to occur, however the FASB is using the public disgust in these scandals to push through mandatory expensing which will actually hurt the ability of the average employee to prepare for their future and that of their employees. Are you aware of how many employees are counting on stock options to provide financial security, or the fact that mandatory expensing will hamper that security?

Please, closely review all of the facts and then do everything you can to support the needs and rights of small business owners. Please oppose any mandatory expensing of stock options and let us focus on running our businesses without unnecessary added reporting bureaucracy. Please honor our free market enterprise. Thank you.

Sincerely

Susan Allen