


RTL Enterprises

Richard Lewis

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

Robert H. Herz, Chairman
Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 3820
File Reference: 1102-100

Dear Chairman Herz,

Thank you for taking time to read my letter concerning the FASB proposal for mandatory expensing of employee stock options.

Given our weak economic climate of late, 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 our people build nest eggs for the future. This form of compensation makes practical sense for most companies, their people and their outside shareowners. I personally have used employee stock options to grow my own business.

I don't understand why we need to recreate the wheel since unexercised stock options are readily available to those who are interested. The FASB's proposal to require further disclosure of these options is redundant and pointless.

The mandatory expensing of stock options is an important issue that could have a severely adverse affect both on existing small businesses and those planned in the future. The issue of personal freedom involved in this issue is also imperative. I thank you once again for your time and consideration.

Sincerely,


Richard Lewis

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