Letter of Comment No: 6191
File Reference: 1102-100

Victor Harpley

209 Gann Street , Georgetown, TX 78626-4521

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Director, Major Projects and Technical Activities Financial Accounting Standards Board
File Reference No. 1102-100
Share-Based Payment; an amendment of FASB Statements No. 123 and 95
Norwalk, CT 06856-5116

Subject: Make Companies Put Stock Options on the Books

Dear Director, Major Projects and Technical Activities Standards Board:

I strongly support your proposal to require companies to expense stock options. Not expensing stock options has promoted their overuse in CEO pay against the long-term interests of shareholders.

The retirement savings of America's working families depend in part on all companies, including small businesses and start-ups, having honest accounting practices. Companies that do not expense stock options are hiding their true cost from investors, creditors and other consumers of financial reports. In my opinion, stock option compensation should not receive preferential accounting treatment.

In conclusion, I urge you to require stock option expensing as soon as possible. Independent experts, such as the Financial Accounting Standards Board, should set the standards on stock option expensing, not the politicians in Washington. Stock options are a compensation expense, and this cost can be reliably estimated using your proposed accounting method. I believe corporate executives are required to uphold a fiducariy responsibility to not only the shareholders but to the community at large. By not demanding that stock options be expensed they have failed in that fiduciary responsibility and it becomes the Peoples/Governemtns responsibility to hold them to that pledge.

Sincerely,

Victor Harpley

cc:
Senator Richard Shelby