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To: Director - FASB
Subject: File Reference No. 1102-100

I have followed with interest, and with considerable puzzlement, the debate over expensing stock options. I am an engineer, not an accountant. I have enough experience doing bookkeeping for a non-profit organization to recognize that accounting rules can be difficult to formulate, and that I am not qualified to formulate them.

However, I am concerned that, although this change in accounting rules is being proposed in reaction to some very real abuses by some corporate executives, it will in fact harm rank-and-file employees while leaving unscrupulous executives free to exploit both this and other loopholes. The board of directors is responsible for ensuring that a company's executives act ethically and in the interests of its shareholders. Rigorous accounting is, of course, necessary for them to carry out their duties. But a change in accounting rules is no substitute for an effective board.

As for the potential harm to employees, many of the technological advances that have helped make this country's economy the envy of the world have been made by engineers and scientists working long hours for paltry salaries. Big, established companies can afford to pay cash. History has shown, however, that much innovation has come from smaller companies, and stock options are a vital part of their life blood.

Iain Bason