Letter of Comment No: 574/ File Reference: 1102-100

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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. The failure to expense stock options has promoted their overuse in CEO pay, which works against the long-term interests of shareholders. For example, I believe stock options provided a financial incentive for Enron executives to cook the books.

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 for stock option expensing, not 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 should be ashamed for trying to hide the cost of stock options from their investors.

No other country in the world allows CEOs and top executives from corporations to extrude such enormous salaries and benefits from their companies. The ratio between CEOs and average workers in most nations is about 100-150%. In the USA CEOs of FAILING companies usually make 400-500% more than their average workers. This is outrageous and egregious profiteering.

Sincerely,

Dorothea Nobile

cc:

Senator Richard Shelby Representative Barney Frank Representative Michael Oxley