Letter of Comment No: 5944
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:

Please! Require companies to expense stock options. Not expensing stock options has promoted their abuse in CEO pay against the long-term interests of shareholders. Enron executives cooked the books and nearly killed my grandmother by destroying her financially.

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 be abolished!

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 and boards of directors should be ashamed for trying to hide the cost of stock options from their investors and employees.

Sincerely,

Teresa Virden

cc:
Senator Richard Shelby
Representative Barney Frank
Representative Michael Oxley