Letter of Comment No: 5985 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. Not expensing stock options has promoted their overuse in CEO pay 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 < span id="BUSINESS" class=xxxxkeyword onmouseover="onmo(this);" onmouseout="inMenu=false;hide(this);" > business < /span > es and start-ups, having honest accounting practices. Companies that do not expense stock options are hiding their true cost from investors, < span id="CREDIT" class=xxxxkeyword onmouseover="onmo(this);" onmouseout="inMenu=false;hide(this);" > credit < /span > ors and other consumers of financial reports. In my opinion, stock option compensation should not receive preferential accounting treatment.

The Enron collapse cost my parallyzed 92 year old mother more than half of her savings and forced her to sell her home and move in with my brother in another part of the state . . . away from her friends, her doctors, and her support network. The system continues to allow corporate execs to mine investors' pocketbooks with impunity.

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

Sincerely,

Frances Samuelson

cc:

Senator Richard Shelby