

Letter of Comment No: 5919
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:

Being a former employee of Arthur Andersen I have been affected deeply by the fall of Arthur Andersen. Even the stock options issue did not cause the fall of Andersen. The greed of the big CEOs did. I no longer have a pension that I can retire on it was lost with the Enron/Andersen scandal.

We have all seen from the fall of both Enron and Andersen what faulty accounting, non-reporting of income, and cooking the books can do to innocent people and every day workers who don't have the ability to expense stock options.

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

Sincerely,

Coretta Robinson

cc:
Senator Richard Shelby