

Letter of Comment No: 6001
File Reference: 1102-100

Susan S. Pastin

1340 W. Touhy Ave. Apt. 405, Chicago, IL 60626

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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.

It also has widened the already obscene gap between CEO pay and the pay of everyone else!

Plus, stock options provided a financial incentive for crooked 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. Why should stock option compensation receive preferential accounting treatment?

America's strength has been a free market, not the kind of crony capitalism being promoted now by those who would turn our democracy into a plutocracy.

For the sake of accuracy, honesty, and a strong economy, 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,

Susan S. Pastin