

Karen Salmansohn

From: Director - FASB
Sent: Friday, January 31, 2003 11:4
To: Karen Salmansohn
Subject: FW: Comment on the expens

Letter of Comment No: 88
File Reference: 1102-001
Date Received: 1-31-03

-----Original Message-----

From: Van Loan, Charles [mailto:CVanLoan@ibcp.com]
Sent: Friday, January 31, 2003 11:20 AM
To: Director - FASB
Subject: Comment on the expensing of Options File Reference No. 1102-001

To Whom it May Concern:

I am writing to encourage the Financial Accounting Standards Board (FASB) not to require the expensing of stock options. I concur wholeheartedly with Wick Simmons, Chairman and Chief Executive Officer of The Nasdaq Stock Market. The ability to attract and retain the best and brightest employees are the key to any company's success and stock options are valuable tool to do so.

The company of which I am the CEO, Independent Bank Corporation, has used stock options for many years as a tool for key employee recruiting and retention. While the cost of our programs is not inconsequential due to their dilutive effects on earnings per share, we feel that our stakeholders, including shareholders, have benefited greatly from their use. We set our goals and incentives based upon earnings per share growth, as we feel this is what is most important to our shareholders. The current method of determining the dilutive impact of stock options based upon the 'in the money' value is fair and does a much better job of accounting for the true value / cost of stock options to our shareholders. In addition the disclosure of the pro forma impact of stock options on our earnings in a footnote to our financial statements provides investors with more than adequate information on the estimated cost of the stock options that we issue.

I strongly agree with the comments of Mr. Simmons regarding the inadvisability of making accounting rule changes to expensing of stock options in reaction to the corporate scandals of the past months. In my opinion stock options were not the cause of the unconscionable behavior of a few bad apples.

Thank you,

Charles Van Loan
President, CEO
Independent Bank Corporation
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