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Letter of Comment No: 5424
File Reference: 1102-100

From: mike@cohousing.com
Sent: Saturday, June 26, 2004 8:00 AM
To: Director - FASB
Subject: Companies Should Be Accountable for Stock Options

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

Dear Director, Major Projects and Technical Activities Standards Board,

Your proposal to require companies to expense stock options is a very good thing. 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.

Sincerely,

Michael April
120 Pulpit Hill Rd #1
Amherst, Massachusetts 01002

cc:
Senator Richard Shelby
Senator Paul Sarbanes
Representative Barney Frank
Representative Michael Oxley