

Letter of Comment No: 14
File Reference: 1101-001
Date Received: 10/30/02

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

From: JosephAdams [mailto:adams3@azalea.shc.edu]
Sent: Wednesday, October 30, 2002 12:38 PM
To: director@fasb.org
Cc: gpartridge@shc.edu; sharpa@shc.edu
Subject: File Reference 1101-001

To the Members of the Financial Accounting Standards Board-

The Financial Accounting Standards Board would do well to jump back to their college years. The same idealism endorsed by students in the field of public accounting should be same value system employed by FASB. You are the entity the profession of accounting looks to for guidance, and as such, your pronouncements should be lofty; they should be, like the bible, statements of ideals, not minimum requirements.

Your October 4, 2002 Exposure Draft of the Proposed Statement of Financial Accounting Standards: Accounting for Stock-Based Compensation--Transition and Disclosure, an amendment of FASB Statement No. 123 fails in its most basic premise. The FASB cannot continue to comment only on those companies that VOLUNTARILY change to the fair value method of accounting for stock-based employee compensation.

The FASB must follow the example of the International Accounting Standard Board's pending Exposure Draft: "Entities should not follow the same approach as US accounting requirements, i.e. entities should not be permitted a choice between a fair value measurement method and an intrinsic value measurement method...."

It is quite obvious that the FASB continues to work vehemently to solve the complex technicalities of computing fair values of stock options. Your abilities in this regard go unquestioned.

If, however, the FASB would take a stand in making fair valuation "REQUIRED" instead of "preferred" they would supercede the IASB in taking the global lead in reasserting the high ideals of the accounting profession. You can, single-handedly, restore faith in investors by holding companies to the highest possible standards, even after business scandals fade from the public eye.

Sincerely

Joseph Q. Adams

Spring Hill College
4000 Dauphin St. #6
Mobile AL 36608