Letter of Comment No: 97
File Reference: 1101-SCU
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## Stacey Sutay

From: FASB Comments

Sent: Wednesday, June 04, 2003 1:52 PM

To: Stacey Sutay
Cc: Michael Tovey

Subject: FW: Expensing of stock options - Valuation

----Original Message-----

From: Suzanne R. Burke [mailto:srburkes@msn.com]

Sent: Wednesday, June 04, 2003 11:57 AM

To: FASB Comments

Subject: Expensing of stock options - Valuation

Gentlemen, It seems that a major point of dispute related to expensing stock options is the use of the Black Shols (spelling) valuation method for warrants. It is argued that this is not accurate and that the future value cannot be estimated. I would suggest we simplify the calculation of the amount of expense by basing it on the excess of the closing market value of the company's stock over each option's exercise price as of the end of each accounting period. To the extent that the closing market value drops in a period the expense would be reversed on an individual option basis, limited however to the cumulative amount of previously recorded expense. The timing of option vesting should not be considered or enter into the calculation.

BY matching the expense to equal the real amount of gain the valuation dispute should end.

Best regards, Steven C. Burke srburkes@msn.com