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----Original Message----

From: Campbell, William J. [mailto:WCampbell@faegre.com]

Sent: Friday, January 17, 2003 11:03 AM

To: 'Jerry Van Eeckhout'; 'director@fasb.org'

Cc: Donald Sturtevant (E-mail); Gavin Thomson (E-mail); Governor Bill

Owens (E-mail); Jim Seifert (E-mail); Ronald J. Bach (E-mail);

Campbell,

William J.

Subject: RE: Expensing of options.

 ${\tt Jerry}$ - ${\tt I'm}$ attending one of the better legal education programs in late

January that will focus on Sarbanes-Oxley, etc. I'll keep ${\tt my}$ eyes and ears

open for any late developments about options.

Expensing options using a system similar to Black-Scholes will have a negative impact on corporate income tax collections and on capital formation, and will achieve its intended objective of improved corporate

governance only if the amount expensed is so nominal that it isn't a disincentive to taking the risks needed to start companies, create jobs, and

grow technology. Removing dividends from personal income tax has more potential as a fundamental way of improving corporate governance, in my view.

Bill Campbell