

## Stacey Sutay

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**Subject:** FW: 123 Comment Letter

**Letter of Comment No:** 22  
**File Reference:** 1102-100



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

**From:** Traficanti, Robert [mailto:traficantir@citigroup.com]  
**Sent:** Monday, April 05, 2004 2:18 PM  
**To:** Larry Smith  
**Subject:** 123 Comment Letter

Larry,

Citigroup wishes to express its support for the Exposure Draft on FAS 123. Please see the attached Comment Letter.

Bob



153 East 53<sup>rd</sup> Street  
New York, NY 10043

April 5, 2004

Mr. Lawrence Smith  
Director of Technical Application and Implementation Activities  
Financial Accounting Standards Board  
P.O. Box 5116  
Norwalk, Connecticut 06856-5116

**Re: Proposed Statement of Financial Accounting Standards, *Share-Based Payment – an amendment of FASB Statements No. 123 and 95* (Exposure Draft)**

Dear Mr. Smith:

Citigroup supports the principle in the Exposure Draft that stock options and other forms of employee share-based payment represent valuable compensation and should be recorded as an expense on the income statement. We believe that current valuation models reflect a reasonable value for employee stock options and that those models will continue to improve over time.

Citigroup will submit additional detailed comments on the specific issues in the Exposure Draft at a later date. At this time, however, we would like to emphasize our strong support for private-sector standard setting, and our opposition to Congressional intervention on the accounting for stock options.

Please do not hesitate to contact me at (212) 559-7721.

Sincerely,

Bob Traficanti  
Deputy Controller and Head of Accounting Policy  
Citigroup