

Karen Salmansohn

From: Director - FASB
Sent: Saturday, February 01, 2003 1
To: Karen Salmansohn
Subject: FW: File Reference No. 1102-C

Letter of Comment No: 188
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-----Original Message-----

From: Peter Takiff [mailto:PTAKIFF@mobius.com]
Sent: Friday, January 31, 2003 5:04 PM
To: Director - FASB
Subject: File Reference No. 1102-001

I am writing in response to the *Invitation to Comment, Accounting for Stock-Based Compensation* regarding issues that the FASB will discuss, in accordance with its objectives of improving U.S. financial accounting and reporting standards, when it considers whether it should propose any changes to the U.S. accounting standards on stock-based compensation.

I am opposed to the proposed standards that would require companies to record a value for stock options and charge that value against earnings. Neither stock options nor their accounting treatment caused the accounting scandals of 2002 and expensing options will not inhibit large executive compensation packages. Instead, expensing will lead to a misleading number on the financial statements and fewer options granted to rank and file employees.

Expensing options under the currently available valuation models would be a disservice to investors -- leading to misleading numbers and lack of transparency on financial statements. I urge you to resist the ill conceived efforts to adopt an expensing standard that would dramatically hurt entrepreneurial growth companies.

Sincerely,
Peter Takiff
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