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Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Companies should begin to subtract stock options from corporate profits as an expense

Dear FASB:

I applaud the International Accounting Standards Board's proposal that companies should begin to subtract stock options from corporate profits as an expense. This one accounting reform would go far towards giving investors a much more accurate picture of a company's actual expenses.

I strongly encourage the FASB to institute similar standards for U.S. companies.

While the growth of options-as-compensation through the 1990's has obviously been a huge boon to the top executives of many U.S. companies, it has had a deleterious effect overall on shareholder returns. Options-as-compensation promotes a short-term focus on the part of executives who want to maximize their options benefit, frequently at the expense of sustainable company growth. (In worst cases, unfettered options-as-compensation may promote fraudulent activity to manipulate earnings.)

While options-as-compensation may be here to stay, counting options as an expense would at least give shareholders a more accurate picture of a company's value.

Thank you for your good work towards improving accounting standards.

Very truly yours,



Robert Gillespie