JOHN R. McCLELLAND 2504 FOULK WOODS ROAD WILMINGTON, DELAWARE 19810

Letter of Comment No: 62 File Reference: 1102-100

April 8, 2004

Director of Major Projects, FASB 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

RE: Stock Options

Dear Sir/Madam:

Yesterday, the Association of Investment Management and Research published an ad in the Wall Street Journal. It urged readers to write to you to support the "mandatory expensing of employee stock options."

While I realize that mandatory expensing is one of the politically correct causes now, I am writing to urge you to not make expensing mandatory.

First the obligatory background information. I am fully retired. My last position was as the CFO of a life insurance company. Much of my income comes from dividends and gains on common stock investments that I manage myself. Thus, I feel that I am knowledgeable about the subject and that I have a real stake in how this issue is resolved.

For too many years, the FASB has issued reams of standards, statements, interpretations, etc. While this blizzard of paper makes it appear that proper accounting is well defined, the result is much "make work" for the entry level staff auditors who check to see if the rules in the "cook book" have been satisfied. Whether the result makes sense and is representative of the underlying financial condition is ignored.

All of us with a "stake" in understanding a company's financial reports need fewer, not more, complicated rules.

Please leave well enough alone.

Sincerely,

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John R. McClelland