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----Original Message-----

From: Caray1225@aol.com [mailto:Caray1225@aol.com]

Sent: Monday, November 04, 2002 12:01 AM

To: director@fasb.org

Subject: Exposure draft, file reference 1101-001

I concur with the need to account for stock based compensation as a period cost, net of tax. However, since time is of the essence for response I will be short. Believe that APB 25 should be recalled in its entirety. FASB 123, as amended should be the mandatory rule. Cumulative effect of an adjustment from this transition could be through comprehensive income (loss). While this type of impact will have a material impact on an entities equity, it would be a one time charge. The market can absorb the impact, which I think has already occurred. Pro-forma adjustments are just that, pro forma. Do not give options on how to account for stock based compensation. Why not go through comprehensive income when granted at fair value and subsequently adjusted when exercised or terminated? Placing items in a table only confuses the average investor. Placing it on the face of the operating statement would be more meaningful. Most financials segregate comprehensive from operating. It is time to combine the both and have a new definition of net income (net comprehensive income).

I do not have these types of corporate clients, but I do have those types of investors that invest in those types of entities. Most investors (average) do not read the financials (I know they should). A lot go to the bottom line of operations and to cash flows. If they have to add and subtract from the statements to the notes, will only confuse them more.

Maybe this is all to simplistic for a complex issue, but if the kis method is used (keeping it simple), maybe we would not have had the financial scandals that we now have. At the end of the day, the one that gets hurt the most, are the little people. Those are the ones that make the economy move. We need to protect them more than we are doing.

I know I should have done my homework a little earlier, however I did not have the opportunity. I usually read exposure drafts more than once. But this time I did not have a chance. Hope I did not miss the boat. Excuse my brevity and simple approach.

Raymond Marin