## Karen Salmansohn

From: Sent: To: Subject: Len Tatore Friday, January 17, 2003 7:51 AN Karen Salmansohn FW: Expensing of options. Letter of Comment No: 13 File Reference: 1102-001 Date Received: 1-1 1-03

----Original Message----

From: Jerry Van Eeckhout [mailto:chrmn@corp.acttel.com]

Sent: Thursday, January 16, 2003 6:34 PM

To: 'director@fasb.org'

Cc: Donald Sturtevant (E-mail); Gavin Thomson (E-mail); Governor Bill Owens (E-mail); Jim Seifert (E-mail); Ronald J. Bach (E-mail); Bill

Campbell (E-mail)

Subject: Expensing of options.

I have been in business for 40 years, first 8 as a CPA with Touche, then as a divisional and corporate CFO for two NYSE companies, and for the last 20 years, CEO of 2 successful NASDAQ companies. I am generally familiar with the theoretical arguments, and was involved as a National Director of the American Electronics Association when we lobbied Congress to discourage this initiative 5-10 years ago. I am also an Ernst & Young Entrepreneur of the Year award winner in Communication and Technology category.

If we want to continue to hobble our job creating engine in the US, we should do dumb stuff like expensing stock options. I do believe it is theoretically sound to do so, but I have yet to figure out how one can calculate the cost. Black Scholes should be relegated to the dust bin of the minds that like to poke around in theory. it is no-doubt useful and very mellow, but lets not bring it into the real world where new products need to be invented by entrepreneurs, and new jobs need to be created by those of us who operate in the storms of the free market, and aren't protected by trust funds, universities, or government.

Creating companies and jobs is hard enough as it is.....I know, I've done it twice...please don't make it worse.....just having to absorb the government overreach from Sarbanes Oxley will keep us busy for the next 5 years, and divert scarce resources to the ever-present attorneys waiting for their kill....

It is good theory, but impossible to implement in reality, and is bad public policy because it will hurt our society through the destruction of jobs.

Jerry Van Eeckhout CEO ACT Teleconferencing, Inc. Denver, Colorado