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Letter of Comment No: 2557 File Reference: 1102-100

From:

paul.wilson@citrix.com

Sent:

Tuesday, May 18, 2004 5:44 PM

To:

Director - FASB

Subject:

File Reference No. 1102-100, Comment on FASB Stock Option Proposal



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Dear Mr. Robert Herz:

I am writing in reference to FASB's invitation to comment on its exposure draft, "Share-Based Payment," an amendment of Statements No. 123 and 95.

Stock options can vary in price depending on the day and the value also changes depending on external forces. The day after the options are expensed, they could be worth twice as much or half as much. To put a valuation on something that has no predetermined value and then expense it as a cost of doing business would seriously undermine the public's ability to accurately judge the financial situation of a company.

What this amendment proposes to do is to treat stock option grants like depreciation giving companies yet another way to manipulate the financial statements without affecting the statement of cash flows. The only difference is now the Owner's Equity is changing instead of Assets. Corporations would now be able to shield large amounts of money from taxes, much like depreciation.

As for me, those options are a substantial amount of my annual salary that I will no longer be getting. The company will not be providing other forms of compensation in return, because the options are a "bonus". The bottom line here is that I will be getting less income, so I will be paying less taxes, and generating less spending in the economy. Also, the government will lose tax money both from my earnings and from the Corporation, because they will no longer be taxed on the value of options granted to employees.

I do not believe the benefit of declaring option values as an expense (providing arguably less information to investors) out weighs the costs to society in unemployment, inflation, and other areas.

The real crux of the issue is accountants who are willing to bend the FASB regulations in order to keep clientele. The focus should be on teaching ethics to accountants, not screwing the people paying taxes by removing their income.

Sincerely,

Paul Wilson 8390 NW 24th Ct Sunrise, FL 33322