Karen Salmansohn

From: Director - FASB
Sent: Saturday, February
To: Karen Salmansohn
Subject: FW: Comment on A

Letter of Comment No: 222 File Reference: 1102-001 Date Received: /-3/-/3

----Original Message-----

From: CFrazer@jos-a-bank.com [mailto:CFrazer@jos-a-bank.com]

Sent: Friday, January 31, 2003 6:06 PM

To: Director - FASB

Subject: Comment on Accounting for Stock-Based Compensation

I am writing in opposition to FASB's proposal for accounting for stock-based compensation. Stock options provide valuable incentives and promote the entrepreneurial spirit necessary to maintain a vibrant national economy. Corporate misconduct may lead to mistrust by the investing public, ultimately making it harder to attract capital to the equity markets. However, there is no indication that accounting for stock options was in any way responsible for the recent spate of high profile corporate scandals. It is far from clear that the proposal will increase the accuracy of financial reporting or the transparency of corporate governance. Options are already taken into account by the reporting of diluted earnings per share and are publically disclosed in a variety of filings. In following its mandate to restore confidence in American business, FASB should insure that the cure is not more harmful than the abuse it is attempting to curtail. First, do no harm. As the Wall Street Journal stated ". . . forcing all companies to expense stock options would do little to enhance corporate conduct or end accounting abuses. Instead, it will diminish the ability of emerging companies to attract the talent they need to succeed. It will limit entrepreneurial opportunities to advance new ideas and develop new technologies. It will jeopardize the competitive advantage of American firms. And it will cost Americans jobs." In short, "stock options are not the problem and expensing them is not a solution."

Charles D. Frazer Senior Vice President-General Counsel Jos. A. Bank Clothiers, Inc.