

Karen Salmansohn

From: Director - FASB
Sent: Tuesday, February 04, 2003
To: Karen Salmansohn
Subject: FW: Comment on FASB-

Letter of Comment No: 251
File Reference: 1102-001
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-----Original Message-----

From: Darren Craig [mailto:dcraig@swbanktx.com]
Sent: Monday, February 03, 2003 12:21 PM
To: Director - FASB
Subject: Comment on FASB-1102-001

This message has been sent at the request of Paul B. Murphy, Jr., CEO and president of Southwest Bancorporation of Texas.

<<FASB.doc>>

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It goes without saying that corporate misconduct harmed thousands of investors. However, in the effort to enact reforms meant to end this malfeasance, we should not entertain ideas that could have a negative impact on the very people we are trying to protect.

Requiring a company to expense its options will confuse investors. Moreover, the amounts expensed would fluctuate widely, which would make the earnings a company is realizing somewhat misleading.

Like most companies, Southwest Bancorporation of Texas, Inc. accounts for its stock options in a very transparent manner, fully disclosing the impact of our stock options in our financial statements. An investor or interested party can understand the impact options have on our financials by reading the footnotes, which are very informative and easy to follow. The existing accounting conventions already address the issue which some now say needs attention.

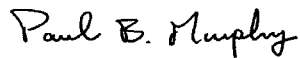
In other words, let's not over-regulate something that isn't broken...or something that is already regulated enough.

We are one of many companies in America whose growth has been fueled by the hard work and dedication of its employees—at all levels of the organization. In fact, more than 1,200 of our 1,500+ employees are shareholders. It is no coincidence that our growth has resulted from an environment that rewards hard work and loyalty.

Requiring a company to expense its options will harm investors and it will harm the companies in which they invest. Companies will limit the amount of options they grant if those same options are classified as an expense. Taking this incentive away from rank-and-file employees will stifle innovation and performance throughout an organization, resulting in less financial gain for the investing public.

I applaud the FASB for taking a thoughtful approach in hearing all sides of the argument. I hope that same thoughtfulness will be exercised as it considers how best to protect the American investor.

Sincerely,

A handwritten signature in black ink that reads "Paul B. Murphy". The signature is written in a cursive, slightly slanted style.

CEO and President