

# FACTS

## Financial Accounting Coalition for Truthful Statements

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Contact: Elizabeth Fender  
917-670-1427  
elizfender@yahoo.com

FOR IMMEDIATE RELEASE

### **COALITION CALLS ON CONGRESS TO ALLOW FASB TO ISSUE RULE ON EXPENSING STOCK OPTIONS**

Washington D.C., May 19, 2004 -- The Financial Accounting Coalition for Truthful Statements (FACTS) released a statement today asking Congress to stay out of the Financial Accounting Standards Board's process for considering a proposed rule requiring companies to expense all stock options. FACTS is a broad coalition of 30 pension funds, consumer/investor groups and labor unions advocating fairness and transparency in financial reporting. (See attached Statement for list of members.)

FACTS, which represents millions of Americans, agrees that stock option compensation is a real expense that appropriately should be included on corporate income statements, not hidden in footnotes to financial statements. The group's spokesperson, Liz Fender, commented that "Congress interfered with FASB about 10 years ago and with all of the recent events that have shaken the public's trust in the financial markets, we are surprised that they are once again contemplating such a move."

The coalition believes that accounting rules are best decided not by Congress but by FASB, an independent body charged with setting accounting standards. FASB has the expertise to fully evaluate accounting issues. It has an open, independent process for considering new accounting standards.

Less than two years have passed since the Sarbanes-Oxley Act of 2002 established a mechanism ensuring that FASB would be independently funded and free from any pressures from special interest groups. HR 3574/S. 1890, "The Stock Option Accounting Reform Act," undermines this important reform by allowing Congress to succumb to pressure from special interests and override FASB's independence.