



**The Vincent C. Ross Institute of Accounting Research**

*Baruch Lev, Director and the Philip Bardes Professor of Accounting and Finance*

**ROSS ROUNDTABLE  
ON  
STOCK OPTION DISCLOSURE RULES**

**Date/Time:** February 5, 2001 from 4:00pm to 6:00pm

**Location:** New York University  
Leonard N. Stern School of Business  
Abbe-Bogen Faculty lounge, 11th Floor (11-85)  
Kaufman Management Education Center,  
44 West Fourth Street  
New York, NY 10012

**Contact:** (212) 998-4143 or (212) 998-4141

**Roundtable Coordinators**

*Teresa John, Department of Accounting, Taxation and Business Law  
Patricia McConnell, Bear Stearns*

**ROUNDTABLE THEME**

This roundtable considers the issue of whether stock options should give rise to a compensation expense, based on the options fair value, and if so how and when? It will cover the concerns of investors and the FASB regarding the recording and disclosure of the compensation expense resulting from the granting, issuing and repricing of employee stock options. It also addresses the concerns of small and high tech firms who have to compete for managerial and technical talent. Years of hearings in the 1990s resulted in mere footnote disclosure of the impact of the options on the income of the business as if they had been recorded as compensation expense. However, the hit to income from repricing must be recorded as an expense. In thinly capitalized firms, where stock price movements can be extreme, how appropriate is the Black-Scholes option-pricing model. Should the FASB revisit the subject notwithstanding the controversy this would generate?

*The Ross Roundtable provides a forum for "public opinion shapers" -- business writers, financial analysts, educators, etc. -- to discuss with policymakers important developments in capital markets and internal control. To provide ample opportunity for participants to voice their opinions, the size of the Roundtable is limited.*