

May 24, 2007

Technical Director  
Financial Accounting Standards Board  
401 Merritt 7, PO Box 5116  
Norwalk, CT 06856-5116

By email: [director@fasb.org](mailto:director@fasb.org)

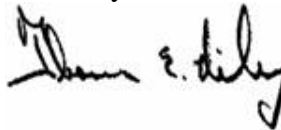
**Re: Proposed SFAS 133 Implementation Issue– Scope Exceptions: Whether Options (Included Embedded Conversion Options) Are Indexed to both an Entity’s Own Stock and Currency Exchange Rates**  
**(File Reference: Proposed Statement 133 Implementation Issue C21, “Whether Options (Including Embedded Conversion Options) Are Indexed to both an Entity’s Own Stock and Currency Exchange Rates.”)**

To Whom It May Concern:

The New York State Society of Certified Public Accountants, representing 30,000 CPAs in public practice, industry, government and education, submits the following comments to you regarding the above captioned exposure draft. NYSSCPA thanks the FASB for the opportunity to comment on this release.

The NYSSCPA Financial Accounting Standards Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with the committee, please contact Margaret Wood, chair of the Financial Accounting Standards Committee, at (212) 542-9528, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,



Thomas E. Riley  
President

Attachment

**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS  
COMMENTS ON FASB EXPOSURE DRAFT**

**Re: Proposed Statement 133 Implementation Issue – Scope Exceptions: Whether  
Options (Included Embedded Conversion Options) Are Indexed to both an Entity’s  
Own Stock and Currency Exchange Rates**

**May 24, 2007**

**Principal Drafter**

**John J. McEnerney**

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Ernest J. Markezin

**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**FINANCIAL ACCOUNTING STANDARDS COMMITTEE**

**COMMENTS ON FASB EXPOSURE DRAFT**

**Re: Proposed SFAS 133 Implementation Issue- Scope Exceptions: Whether Options (Included Embedded Conversion Options) Are Indexed to both an Entity's Own Stock and Currency Exchange Rates**

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**General Comment**

The Financial Accounting Standards Committee of the New York State Society of Certified Public Accountants has reviewed the Proposed SFAS 133 Implementation Issue C21 and is pleased to present the following comments.

While we do not object to the conclusions reached in the proposal, the Alternative View—provided by three of the Board's seven members—raises broader concerns about Statement 133. Based on the extensive guidance already in existence for Statement 133, the dissenting Board members' attempt to take a stand against "the proliferation of rules-based guidance" by permitting various ways to interpret Statement 133 is a mixed message. Further, the issue in question may not be clearly resolved by the Board's project on liabilities and equity for some time, if ever. We believe that the Board's deep division regarding implementation guidance on a pronouncement issued nearly a decade ago indicates the need to reconsider the guidance in Statement 133. In our opinion, the Board should seriously consider superseding Statement 133 with a simplified, principles-based pronouncement rather than continuing to amend the existing guidance in a piecemeal fashion. We are concerned about the ongoing need for implementation guidance on a pronouncement issued so long ago.