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## **Zions Bancorporation: SEC Acknowledges Significant Progress in Developing a Market-Based Valuation for Employee Stock Options**

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As of January 1, 2006, public companies are required to recognize as an expense the fair value of stock options granted to all their employees. The accounting literature which compels this is Statement of Financial Accounting Standards No. 123R ("FAS 123R"), *Share-Based Payment*, which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation*. FAS 123R permits companies to utilize one of three alternate approaches for valuing employee stock options.