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Letter of Comment No: 4341
File Reference: 1102-100

From: Barry Burke (barburke) [barburke@cisco.com]
Sent: Tuesday, June 15, 2004 10:16 AM
To: Director - FASB
Subject: File Reference 1102-100



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Dear Mr. Robert H Herz,

I believe that making stock options an expense item is a mistake.

I write this letter as an employee who has stock options, but has never exercised any of those options that are available.

Stock options are a great way for employees to own a piece of the company for which they work. Thus providing a great motivator for productivity and innovation by giving the individual employee a sense of ownership in the company. Making these options an expense item will no longer allow my company to provide this sense of ownership to me and my fellow employees.

The requirements set forth by the FASB will inflate the valuation of stock options artificially to a point where companies will no longer be able to offer stock options. Furthermore the dilution of earnings per share, which is the true cost of stock options, is accounted for at the time the options are exercised.

Since our company competes on global scale this issue impacts us at a competitive level as well. Our foreign competitors provide stock options to their employees and are not required to expense those options.

I view these stock options as a way for my family to have future financial security as a reward for years of service to the company for which I work and partially own.

As an employee who has never exercised any options, but one who has the sense of ownership of the company for which I work, I respectfully request the FASB's withdrawal of the draft to make stock options an expense item.

Respectfully,

Barry Burke
Systems Engineer, Cisco Systems Inc