

Message

ikon

Letter of Comment No: 4340
File Reference: 1102-100

From: Stacey Sutay
Sent: Tuesday, June 15, 2004 11:04 AM
To: ikon; Karen Salmansohn
Subject: FW: Stock Options

-----Original Message-----

From: Tom Thotus [mailto:tthotus@cisco.com]
Sent: Tuesday, June 15, 2004 10:44 AM
To: Stacey Sutay
Cc: paradise@cisco.com
Subject: Stock Options

Hello, my name is Tom Thotus and am employed by Cisco Systems in RTP, North Carolina. I am writing in regard to FAS 123 which will require the expensing of stock options. For the past 6 years I have worked for Cisco and have benefited greatly from stock options. Stock options are a way of distributing the great wealth of companies to individuals rather than hoarding the wealth for a select few. Failure to have stock options allow the rich to become richer and the poor to become poorer. Such a policy is not what America is built upon. How can the little guy ever make it in life if the government takes 50% of what he earns and then receive no stock options. Please do not implement this policy as there are alternatives to stripping stock options from the little guy -- like me.

Here is a more reasonable alternative. Continue permitting companies to grant stock options to employees, but make the company report on its income statement both the EPS according to the number of outstanding shares, then a line right below it reporting the EPS if all above-water options were exercised. That way investors can see exactly what the potential EPS could be over time.

I assure you that if you mandate stock option expensing, companies will stop issuing options and the millions of people who have come into great wealth will be the last people to have benefited from the wealth of innovation. In the future, regular workers will become slaves to corporations and governments who take half of what we earn. From my perspective I want to live out the American dream and earn my full potential. For this reason I have shown extreme loyalty to my company and worked harder than I would have otherwise in hope of earning a great reward at some time in the future. Please reconsider your current stance of mandating the expensing of stock options.

Sincerely,

Tom Thotus
Cisco Systems
RTP, NC

6/15/2004