ikon

From: Charles Sawyer [chsawyer@cisco.com]
Sent: Thursday, June 10, 2004 12:17 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 3742
File Reference: 1102-100

InterScan_SafeStamp.txt (296 B...

Chairman Robert H. Herz

As a U.S. based employee of Cisco Systems of San Jose, California, I ask that you consider not allowing the expensing of stock options, especially at an unrealistically high valuation. Over the last five years Stock Options have provided me with the perspective of putting the company and fellow employees best interests before my own. This has also created a nice financial return for my family.

Please consider the following issues specifically:

Accounting Issues:

The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.

Stock options do not meet the definition of an expense because they do not use company assets.

The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

Competition:

U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)

Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Thank you.

Charles Sawyer
Account Manager
Cisco Systems
248-455-1641 IP Phone
248-761-5745 Mobile
2487615745@mobile.att.net Text Pager