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From: Brad Mortensen (bmortens) [bmortens@cisco.com]
Sent: Thursday, June 10, 2004 12:13 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz -

This brief message is respectfully submitted to urge the FASB to turn away from it's proposed position to require the expensing of stock options. I urge this both as a CPA and an employee of a technology company. As a CPA, I find the proposal to expense options to violate key accounting principles due to the fact that the activity does not represent an outlay of company assets and therefore does not meet the definition of an expense, and also because the financial impact of the issuance of options is not reasonably estimable and thus would detract from the usefulness and reliability of financial statements.

As an employee of a technology company, I further oppose this treatment due to the fact that it will undermine one of the great tools of the last 20 years that has fundamentally contributed to the development of new innovations in many sectors and provided an equitable distribution of corporate wealth to the working persons who are the core contributors to the success of many companies. Although the public passion about the abuse of corporate wealth due to recent scandals is understandable, I do not see the move to expense options as something that would have prevented these scandals nor fundamentally hurt the men and woman who violated the trust of shareholders. Rather this move will primarily hurt the average worker while arguably providing no greater reliability or relevance to users of financial statements. In my humble opinion, this is truly a lose-lose proposition.

Thank you for your attention to this matter. I both urge the FASB and trust in their professionalism to not bow to the winds of politics but rather to let the fundamental principles of accounting prevail in this matter.

Sincerely,

J. Bradley Mortensen, CPA

6/15/2004