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Letter of Comment No: 3703
File Reference: 1102-100

From: Lester Creekmore [lcreekmo@cisco.com]
Sent: Thursday, June 10, 2004 2:45 PM
To: Director - FASB
Cc: lcreekmo@cisco.com
Subject: Stock Option Expensing

Reference No. 1102-100

Chairman Robert H. Herz,

Hello, I'm an engineer working for a U.S. corporation that provides stock options as an incentive to all of its employees. I urge you to consider the implications expensing stock options will have on myself and my family. Being a non-executive, I will likely be eliminated from my companies stock option plan if the Black-Sholes method of expensing stock options becomes a requirement. This likely will have a negative impact on my future earnings.

Requiring companies to expense stock options using the Black-Sholes method will force most companies that issue options to eliminate broad based employee options. Companies of course will continue to provide generous option packages for the executives. The little guys are the ones who will get hurt. The average Joe, the average Jane.

Making money from Stock options is never guaranteed. I take some risk by being employed with a company that offers no other form of retirement than matching 401K. Stock options help mitigate this risk. Any money I make from options will go toward ensuring my children get the best education possible, and if anything is left over, toward my retirement.

The elimination of broad based options would change the entire culture of our company. A culture of people who work hard everyday to make the company stronger and more competitive and to make the U.S. and the world more productive. Our company has an employee retention rate most corporations only dream of having. The elimination of broad based employee stock options will make this just another place to work. I don't want that and neither do my fellow employees. **We beg you to "Do No Harm"!!!**

I ask you to:

- 1) Strive for a compromise that will protect me and my families interests. (The working class.)
- 2) Protect the culture of companies like ours that have had an enormously positive impact on its employees and the world we live in.
- 3) Keep employee interests aligned with shareholder interests.
- 4) Please, Do No Harm!

6/15/2004

NC