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

From: Langlois Bill [bllanglo@cisco.com]
Sent: Wednesday, April 21, 2004 10:36 AM
To: Director - FASB
Subject: Please reject draft plan to treat stock options as an expense

RE: File Reference No. 1102-100

Chairman Robert H. Herz
Financial Accounting Standards Board

Dear Chairman Herz:

I ask that you and the Financial Accounting Standards Board reject the draft plan that will unfairly treat stock options as an expense because:

- 1) The proposed plan does not produce a fair accounting practice. The artificially high valuation for a stock option required by FASB will eliminate stock options at most companies. Stock options are not an expense as they do not use company assets. Currently, stock option cost is already accounted for as a dilution of earnings per share when the option is exercised.
- 2) If the draft plan is enacted, many middle-class workers like myself who now have stock options as a financial incentive to work harder and as a means of securing some degree of financial security will be hurt. American workers and the American technology industries that employ them will be harmed if stock options are treated as an expense.

Stock options have helped make American technology companies the strongest in the world. Please reject the draft plan that would unfairly treat stock options as an expense.

Regards,

William Langlois
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