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From: Loukas Paraschis [loukas@cisco.com]
Sent: Thursday, June 10, 2004 3:04 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Honorable Chairman Robert H. Herz,
I would like to urge you not to expense stock options, especially at an unrealistically high valuation.

As US permanent resident, that came to this country 10 years ago to pursue my Ph.D. in Applied Physics (Stanford University 1999), and has now become a professional in high tech industry, I consider that stock options as the most prominent reward motivating high quality professionalism and strive continues innovation. Stock options are not only an important compensation tool for financially supporting my family, but have been the epitome of my direct participation in the success of my US corporation, rewarding my daily (long-hour) efforts, and providing the best motivation for the best possible alignment of these efforts to the shareholders' interests.

I believe that the artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity. I also believe that stock options do not meet the definition of an expense because they do not use company assets, and that the true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised. Moreover, I consider that 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'.

I urge to again not to expense stock options, especially at an unrealistically high valuation.

Respectfully yours,
Loukas Paraschis

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