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From: Doug Hall [dohall@cisco.com]
Sent: Wednesday, April 21, 2004 8:29 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Chairman Robert H. Herz

Expensing of Stock options is a real problem. In the 4 years I have been at Cisco my options are under water and will probably never be exercised. If this change was in effect the corporation will still have to expense this stock no mater what based on a value that doesn't relate to stock options in any way.

Cause and effect (which is ignored inside the beltway) will terminate stock options. Stock options are what drive us to work hard and compete, a way for the individual of a company instead of just the CEO's have some direct cause and effect. At my company there is no retirement fund. After working at IBM for 22 years and the retirement fund being raided and reduced my total cash out value after those 22 years was less than one years salary. This is the main reason I went to a company that rewards success and has stock options.

I was looking forward to some way of building a retirement fund. My next 4 years working towards options (all under water) would balance out by having the next 4 years under the same stock option rules.

If the rules are now changed all my retirement planning and efforts will be legislated away. It's just like when I was at IBM, my retirement plan is being raided out of my control, this time by legislative efforts.

Help me understand how high tech industries will be able to entice employees if the risk is not mitigated by some kind of reward system like stock options. With out them many of us will opt for selling french fries. Who will fuel growth and innovation? Probably countries like China that maintains stock options.

Help me understand how this will have a positive effect on the US economy in any way? I can help you understand how this will have negative effects.

Sincere, a very observant voting citizen.

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