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Letter of Comment No: 1015
File Reference: 1102-100

From: David Leitzell [dleitzel@cisco.com]
Sent: Tuesday, April 20, 2004 12:49 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100, do not expense options
Importance: High

Chairman Robert H. Herz,

I am writing to ask you to leave stock option reporting as it is and to not implement any of the option expensing proposals. Stock options are a very important part of my compensation and are a great way to tie worker productivity and efforts to company performance. Everyone wins, the employee and the share holder. To expense options using the proposed FASB rules would be to put an artificially high valuation on the options and an expense item on a company's financial records when in reality there is no company assets used in issuing options. The main effect is shareholder dilution which is already disclosed. If companies are forced to expense options, then many have already said they will be forced to cut back on their issuance and that would greatly affect mine and others financial future. Please do not impose a rule designed as a knee jerk reaction to a few bad executives in a few companies. The vast majority of companies that issue and use options are doing so for the majority of their workers. This proposed rule would have a very negative impact on my financial future and the ability of new companies to attract and provide incentives to new employees taking a risk on a new start-up company or a new technology, which is critical to the future expansion and growth of the US economy.

David Leitzell

Thanks,
David

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