

ikon

Letter of Comment No: 1013
File Reference: 1102-100

From: Rodney L. O'Neal [roneal@cisco.com]
Sent: Tuesday, April 20, 2004 12:47 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100, addressed to "Chairman Robert H. Herz

To Whom it may concern:

I have been following the press over whether to leave Stock Option alone or to make them an expense. It may opinion it would be a huge mistake to force corporations to expense Stock Options. It has been stated that individual has certain freedom in the U.S.A. These freedoms have allowed us to become one of the most powerful countries in the world. With these freedoms come certain responsibilities and rights to choose or not to choose. Corporations in today's world are entities that make decisions on policies for employees. The policies dictate how we live, speak, act and how we govern our lives.

If the FASB makes options an expense item to Cisco it will have the following effects:

If employees receive less options they will

- Spend less on the economy (houses, food, clothing, automobiles, vacations, oil etc.)
- Pay less taxes on options that companies give to employees
- Have less saving plans for retirement (government would have to subsidize)
- Decrease college education for kids (again government would have to help)
- Not have the same enthusiasm for increasing company growth (This could affect productivity in companies)
- Could cause the work force to look for more overseas jobs

If you change the Options to an expense

- Companies will make less options available to employees
- Companies will have to use monetary benefits to reward employees
- Less long-term tax benefits will hurt the economy

Options within the corporation has become a very standard way of life. If you approve this law, then it take away our rights to choose how we get compensated as individual and corporate citizens!