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Letter of Comment No:1008
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From: Al Slamecka (aslameck) [aslameck@cisco.com]
Sent: Tuesday, April 20, 2004 12:47 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100... DO NOT FORCE THE EXPENSE OF STOCK OPTIONS

To Chairman Robert H. Herz

I am writing as a US citizen and an employee of a US-based multi-national organization to voice my opposition to the proposed FASB plan to treat stock options as expenses. From an employee perspective, I can say that no other decision would be as harmful to those of us who have spent many years working for a single company in large part due to the potential financial benefit of vested and future stock options.

Make no mistake that we recognize that our commitment to making our organizations leaders in the new economy and models of productivity is based on the simple fact that we can share in the financial rewards through stock options. Options are still the fuel for the tech sector and recent stock market history should not be the determining factor for your decision. As increasing numbers of jobs are being exported overseas, it would be a big mistake to remove the key motivating element that drives innovation in our economy and creates new jobs.

The result of an FASB plan to require the expense of stock options would be obvious and immediate. Organizations currently providing options would cease to do so and the effected employees - whose effort, productivity, and loyalty to these companies are driving the US tech economy - would lose a critical element of the business culture that keeps these organizations at the forefront of their industry. This decision will have a significant demoralizing effect on the tech sector of the economy placing us in greater danger of losing our leadership position to other countries of the world that continue to offer employee ownership awards.

I live in a country where my investments in Social Security will likely never materialize for me or my children. For more than 15 years I have judiciously used stock options to increase my power as a consumer and, more importantly, as insurance for an uncertain future. The sacrifices made toward improving the performance of my company - easily at the detriment to my family life - were returned in kind by my fellow employees and through recognition by my employer as stock option grants. The FASB decision will negate these sacrifices by imposing an immediate, unrealistically high valuation on my options and wiping out a lifetime of planning.

I strongly urge you to reconsider your proposal to force organizations to expense options. In today's economy, no plan that has as the potential to do so much harm to the moral and productivity of the tech sector worker should see the light of day.

Regards,

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