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From: Christopher Morgan II [cmorgani@cisco.com]
Sent: Tuesday, April 20, 2004 12:26 PM
To: Director - FASB
Subject: Re: File Reference No. 1102-100

Letter of Comment No: 477
File Reference: 1102-100

Attn: Chairman Robert H. Herz

Dear Mr. Herz-

I am writing to you regarding the recent draft plan stating that the FASB intend to treat stock options as an expense. I hope that you and your colleagues will read this message and others like it that come from concerned employees.

I am an average middle class American. I, like so many others, work hard to provide a home for my family, food on the table and a good life. I have been very fortunate to receive a decent upbringing, a good college education and a job I truly enjoy. I have been with my company for almost 5 years and one of the main attractions was employee ownership.

I came from a company that handed out options to the executives only. The company was a start-up, and the stock did very well. The executives reaped many benefits but much of the success was due to the employees dedication and hard work. Moral was very low as people saw the benefits the executives reaped and soon many people, like myself, began to leave the company. In just a year after I left, this profitable company lost many key employees and eventually went bankrupt and dissolved. All this before the economic downturn began in March of 2000.

Through the broad-based stock option program that my company has in place, I have a vested interest to work hard and help the company and its shareholders succeed. As I too am a shareholder, I have the same stake in the ups and downs as any other investor. Options are granted with a vesting schedule over 5 years and I have to make a long term commitment to the company in order to see the benefit.

Options are key to compete in the global economy and the US economy as a whole. Attracting and retaining the best and the brightest employees should be the goal of our country. We are a primary driving force behind the world's economy. Expectations are high that we will continue to innovate and lead the industrial world with technology. We risk losing that if companies dissolve their broad-based stock option plans if this recent draft becomes a reality. Innovation will occur in countries like China and India where cheaper labor and less regulation on stock options cause companies from the US to hire more aggressively. We need to have the best interest of the economy and the future of generations to come in mind on this issue.

Expensing options for the rank and file punishes those companies that want to give the American dream. I recently purchased my first home and have my first child on the way. If it was not for stock options, this dream would not have been a reality for me. Though not a large sum by any means, the options I exercised gave me a chance to have a home and lay the foundation for a good life for me and my family.

I know that there are many hard working families that this proposal would affect in a negative way. Many of these employees have homes and families that otherwise may not have been possible if not for employee ownership. Innovation and success are derived from employees and their commitment to their companies. I fear without options, this innovation will decline. I applaud those people for speaking up and I hope that you and your committee take into consideration the effects of this current

proposal. Don't take away the American dream.

Sincerely,

Christopher Morgan II