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Letter of Comment No: 753
File Reference: 1102-100

From: Frank Bicknell (fbicknel) [fbicknel@cisco.com]
Sent: Tuesday, April 20, 2004 1:42 PM
To: Director - FASB
Cc: savestockoptions(mailer list)
Subject: File Reference No. 1102-100, addressed to Chairman Robert H. Herz



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Mr. Chairman,

Based on the recent Financial Accounting Standards Board (FASB) draft plan stating that they intend to treat stock options as an expense, I am writing you to express my strong personal concerns.

I have been in the high tech industry for 25 years and see a move from American based companies to non-American. I have real concerns about this loss. I believe that the manner in which FASB is viewing stock options is very much flawed and the result will be a loss of this win-win incentive. As they are not limited by such rulings, foreign companies will be able to leverage this incentive instead. This could have a tremendous negative impact on American jobs, technical leadership, innovation, and ultimately the U.S. economy.

If you look at the specific accounting issues you will see that the FASB will ultimately eliminate a tool that has driven innovation and productivity for many companies by assigning an artificially high valuation for stock options. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised and stock options do not meet the definition of an expense because they do not use company assets.

My personal concern is that I'm depending on these options as a retirement fund. All my personal financial planning heretofore has accounted heavily on these future values.

Please consider the impact that this change would have on the American corporate leadership and economy and STOP THIS ACTION before harm is done. In today's economic environment, the number one rule should be 'first, do no harm'.

Sincerely,

Frank Bicknell
Cisco Systems, Inc