ikon

Letter of Comment No: 936 File Reference: 1102-100

From: [

Dan Goodwin [goodwin@cisco.com]

Sent: Tuesd

Tuesday, April 20, 2004 1:29 PM

To: Director - FASB

Director - 1 AOD

Cc: savestockoptions@cisco.com

Subject: File Reference No. 1102-100 - Proposal to expense Stock options

Chairman Robert H. Herz -

Sir, I have recently heard of your organization's plan to recommend that stock options be treated as an expense. I strongly urge you to reconsider.

Stock options are a powerful motivator and incentive for people like me: hard working, motivated, self-reliant. They allow me and my family an 'extra incentive' to perform my job well, and reap the rewards. I have been granted stop options at a number of different companies where I've worked, and not been granted them at a number of companies as well. Without question, employers who grant their employees options are viewed by the employees more as partners then employers, with all employees striving towards the common good - higher productivity, better responsiveness to customers, and a more globally competitive organization.

For me personally, stock options have enabled me to have a part of the 'American Dream' - owning my own home. Three years ago, I was able to purchase a home using money from stock options I received from my employer. It was a dream come true. I was able to purchase a condo on the third floor of a 100 year old 3 story house outside Boston, Massachusetts. Exposed brick, two bedrooms, and a small deck were all items that convinced me that this was the place for me and my family. But without stock options, I never would have been able to afford my own home. I'm sure that the theme is the same for a number of regular American workers.

In my job, I have global responsibilities, and I've seen the results of organizations that cannot compete internationally. The world is indeed a global marketplace, and this fact is only going to become more and more true. Forcing companies to expense options would severely impact America's ability to compete in the global market — it is truly the ability to 'own' part of the company you are working for, and share as an owner in the company's success that has fueled America's technology innovations and dominance. Eliminating that hurts American workers AND American companies. Hurting American companies and workers by forcing stock options to be expensed will hurt ALL Americans.

We are finally on our way out of the recession that the country has been wallowing in for the past three years. A ruling like the one that you are considering making will exacerbate and potentially prolong the recession. The free market system has enabled this country to leap from being a small agrarian based economy 200 years ago to one of the strongest in the world, by allowing ALL people to own part of what they build. Please allow us the benefit of continuing to get stock options — without forcing them to be expensed.

Thank you for your attention

Daniel Goodwin