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Letter of Comment No: 1076
File Reference: 1102-100

From: Joseph McClendon Jr [jmcclend@cisco.com]
Sent: Tuesday, April 20, 2004 9:00 PM
To: Director - FASB
Subject: File Reference No. 1102-100.

Chairman Robert H. Herz,

PLEASE DO NOT SQUASH THE AMERICAN DREAM. PLEASE DO NOT EXPENSE STOCK OPTIONS!!!!

In my career in the Engineering field it has been that extra sense of ownership and potential of stock options that has driven me to greater accomplish excellence on a daily basis. In my 20+ year career I have held many jobs that were 9 to 5 and going nowhere! Since joining a company with potential growth incentives such as stock options I have found greater pride in my daily work. I find that I will go that extra mile when needed without fuss as I take a sense of personal ownership in the company. This provides value to the individual as well as all stock holders. If you begin to expense stock options and ultimately eliminate them as a compensation package for innovative individuals, US companies will see a radical drop in productivity.

The **US economy** will fall into a **Depression** due to such a change. All the major companies in the tech industry will loose their capability to attract the best workers. Thus driving jobs and potentially workers overseas. This is not good for the US economy. Current workers who have driven this countries tech industry will loose interest in their jobs becoming more complacent and just do their jobs 9 to 5, that is IF they get to keep their jobs. This loss of jobs in the US will ultimately drive the US into a worse depression than the 1920s.

Expensing Stock Options will drive technological advances to overseas companies. This will put countries such as North Korea in the drivers seat for Nuclear technology all over again. Small countries such as the Iraq's of the world will be able to attract the best Scientific talent for what ever it desires. This will eventually deteriorate our military capabilities as we fall behind in technology. This is completely against the idea of "Deterence" that the US Military is Founded on. This change would put technology back in the hands of Terrorists. I thought we were in a war against Terrorism, so why are we attacking US companies and workers?

Stock Option incentives have aided my family in times of need. I have 4 Parents of which the 1st has suffered Congestive Heart Failure in the last 4 years. The 2nd had a Heart Attack 3 years ago. The 3rd had to have Quadruple Heart Bypass surgery 2 years ago and the 4th was recently diagnosed with Cancer. In all cases due to my having stock options to fall back on I had a way to ease the financial burdens on my families and thus allow us all to survive. With the stock option incentive plan I work hard at my job and have great pride in living the American Dream. I know that my hard work pays off in the stability of my family.

PLEASE DO NOT SQUASH THE AMERICAN DREAM. PLEASE DO NOT EXPENSE STOCK OPTIONS!!!!

Sincerely,

Joe McClendon

4/22/2004