ikon

Letter of Comment No: 1053
File Reference: 1102-100

From: Dan Fennelly [dfennell@cisco.com]
Sent: Tuesday, April 20, 2004 12:03 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz:

Please do NOT expense stock options. Please do not expense them at high valuations. I have been in the high tech industry for over twenty years. in all those years, one of the biggest incentives I've had for working at a company is the value of stock options.
These have significantly benefitted me and my family over the years, particularly in tough times and in times where the company I worked for was struggling. I saw the stock in my previous company (Data General) go from $70 to $3 in a very short period of time. The stock options I had were repriced and when the stock somewhat rebounded, I was able to make some money off of them. I have also used these as a manager to reward performance for my employees.
Stock options also help the economy by fostering loyalty and perseverance within a company. As a manager, I know the cost of replacing employees to my organization. Stock options are a way of retaining employees and maintaining employee loyalty, needed more now than ever in the current world of out-sourcing and financial difficulties.

Please do not go forward with this plan.

thank you
Dan Fennelly

Dan Fennelly,
10 Highland Crossing
Scituate, MA 02066
Phone 781 544-0222 Fax 781 544-0327
danfennelly@comcast.net