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From: Bibhuti Kar [bibhuti@cisco.com]
Sent: Wednesday, April 21, 2004 2:53 PM
To: Director - FASB
Subject: File Reference No. 1102-100 - Stock Option Expensing

Letter of Comment No: 1297
File Reference: 1102-100

To,
Chairman Robert H. Herz

Sir,

In my opinion, stock option expensing is going to be disastrous for the technology industry and on-going innovation. When an employee owns a portion of the company it means *something* to him/her. Employee works with dedication and with a sense of pride. At this state of global competition, doing something to kill innovation in USA is going to be a fatal blow to the economy which is still healing from the (in)famous 'irrational exuberance' of the 90s.

There is no way to know the exercise price of options. So there is no accurate way to expense it.

The only merit I see in the stock option expensing is top executives who are highly compensated using stock options, sometimes, as history is witness to, *play* the stock in the short run to profit illegally. As a remedy, there should be some regulation to limit the percentage of stock options that can be granted to top execs to sub-one percent of total float. And use the proposed method to expense the stocks allocated only to the top execs.

99% of the employees who do not have inside information, should not be punished with this method of accounting.

Thanks,
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