Letter of Comment No: 2648

File Reference: 1102-100

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Sent: Thursday, May 20, 2004 2:54 PM

To: Director - FASB
Cc: 'Senthil Palanisamy'

Subject: File Reference No. 1102-100, addressed to "Chairman Robert H. Herz," - Do Not Expense the Stock Option!

Importance: High

Hi.

A Request to NOT to Expense the Stock Option!

This is regarding the FASB's draft plan on expensing the stock option. Though I'm not an expert on accounting best practices, as an engineer who has been working in various leading edge technology companies during the internetworking revolution, I feed expensing stock option has the potential to severely impact the leadership position that the US held for so long in many industries.

As an immigrant myself, knowing the potential of the economic benefit one could get by stock options in addition to other available opportunities, I have personally influenced many of the high-tech best brains from outside the county to come to US. (In addition to the resources I have recommended within US). I'm sure that this is a similar story with many of the immigrants who helped accelerating the technology growth and US leadership in the same. Of course, as expected, we did get economic benefits through stock options which helped us realize one of the dreams of owning the home. Not only that, it helps us sending our kids to the good private schools and to save for their future education.

Now if the stock options are to be expensed, which would force the companies to be frugal in giving stock options if not stopping them completely. Obviously this is a not the economic climate in which the best of the brains would stick to the companies in US and to add to the growth of this nation. If companies in US has to compete with the rest of the world in keeping their leadership position, I believe the stock option should not be expensed. Doing so would only help the other countries to lure the crème De La Crème's from all over the world and to quickly claim the leadership position. By the time we realize it and want to reverse it, it would have been too late or too expensive to reverse.

FASB should think about what other steps can be taken to bring more credibility to the accounting practices of companies so that it benefits everyone rather than forcing ahead with the expensing of the options. In my humble opinion, rather than looking at the short term benefit, FASB should think long term and decide not to expense the stock options of US companies!

Rgds

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