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Letter of Comment No: 1040
File Reference: 1102-100

From: Mitch Yantis [yantis@cisco.com]
Sent: Tuesday, April 20, 2004 1:02 PM
To: Director - FASB
Subject: Stock option expensing

Dear sirs-

It has come to my attention that you will be changing the way corporations treat stock options. I strongly urge you to reconsider.

My father worked as a butcher, my mom a bank teller. I put myself through college on the G.I. Bill. Stock options allowed me to buy a house 5 years out of college. Without these options I would not have been able to afford a house for me and my family in the bay area. I wonder how college kids just getting out of school will be able to afford them. Folks with only a high school diploma will not have a chance.

Corporate America will react not by discontinuing giving options to everyone, but will continue to give options to the senior executives. This makes sense. These folks have the most influence in an organization and therefore have the most impact to value for stockholders. The problem with this will be the middle mgt on down will no longer be given stock options. In my opinion, the folks who need it most.

At work, everyone is a stockholder and acts that way. I have been in countless meetings over the years and am still amazed at the passion and drive that fuels this company. I believe a great deal of that is due to stock options in the employees hands. Folks want the stock to go up, and not for the short term either. Our stock option plan vests over 4 years but you have nine years until you exercise, hardly short term.

I have had friends that have taken a chance at a start up. Most don't pan out, but a couple have. Why would anyone leave a good job for a start up where the chance of success is 1-100 and you have to work insane hours? Because the rewards of options. Without these incentives I see little reason to take a chance at a high tech start up with a revolutionary way of doing things. But if other countries have them and we don't, our talent will migrate to them along with our ideas.

Please reconsider your decision and take into account the impact you will have on our livelihoods, innovation, and job creation.

Sincerely,
Mitchell Yantis