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Letter of Comment No: 187 File Reference: 1102-100

From:

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Tuesday, April 20, 2004 12:33 PM

Sent:

Director - FASB

Subject: File Reference No. 1102-100

Dear Mr. Chairman.

Please consider the negative impact of expensing stock options to the employees that work for companies that offer stock options. A major factor in my making a decision on what company to join is how does that company treat and reward their employees. A major long term retirement strategy of mine is to use stock options as a potential significant source of income.

The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity and penalizes employees who have made career decisions partly on ownership through stock options.

Stock options do not meet the definition of an expense because they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

Competition: U.S. companies needs stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)

Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Please do not harm companies and their employees by implementing expensing of stock options.

Best regards,

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