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Letter of Comment No: 1468
File Reference: 1102-100

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Sent: Thursday, April 22, 2004 12:10 PM
To: Director - FASB
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Subject: Chairman Robert H. Herz

Besides the obvious issues below there are many other reasons why should be kept as is:

Accounting Issues:

- The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.
- 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 need 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'.

Personally stock options have allowed me to do things in my life that I could only dream of. I was able to take my whole family including extended family for a week long trip to Aruba. This was my father's last trip prior to his death. I have been able to purchase houses that I would never have been able to purchase simply due to the down payment because of stock options. I have been able to put my children in special camps to further their competence in areas of their choice.

Stock options have also made me feel the closest to owning my own business that I may ever feel. Due to the feeling of ownership you always want to go the extra mile..it may mean you will get more stock options or that the stock price may be somehow positively affected by my actions. Stock options allow companies to imbue an entrepreneurial spirit.