ikon

Letter of Comment No: 713
File Reference: 1102-100

From: silvia meyer [smeyer@cisco.com]
Sent: Tuesday, April 20, 2004 5:42 PM
To: Director - FASB
Subject: STOCK OPTIONS_File Reference No. 1102-100
Importance: High

Dear Chairman Robert H. Herz:

Ref; File Reference No. 1102-100

I have been in high-tech for the past 23 years and the higher motivator to stay in this industry is STOCK OPTIONS. This is a legacy of the industry that should be preserved to motivate people to high creativity and productivity.

Stock options helped me over the years to support my family, paid for my kid's education and my house. I'm a single mother with two kids to support, and always counted on Stock Options as part of my income. The high tech industry is a very fast moving and hard working industry; we do not do this just for a salary.

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.

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'.

Do not change something that motivates people to work hard for!

Sincerely,
Silvia