Letter of Comment No: 309 File Reference: 1102-100

## Stacey Sutay

From: Jay Rosenbloom [jrosenbl@cisco.com]

Sent: Monday, April 19, 2004 11:36 PM

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: please do not expense options (File Reference No. 1102-100)

## Dear Chairman Robert H. Herz

I respectfully urge FASB not to expense stock options. I am an individual contributor at Cisco Systems, a field sales engineer. My Cisco options have had a dramatic effect on the quality of my family's life. Currently I am using them to finance my daughter's college education. She is a freshman and the first of my three children to attend college. The next one is 2 years away from college. Without my Cisco stock options I would be much more reliant on financial aid. In fact my entire financial situation would be under much greater stress without my options.

I also feel strongly that stock options are a great motivator. The help me feel that I have a greater stake in the results that the company produces. They motivate me to act in the best interest of our customers because I know that doing so will yield greater growth over the long term for the company.

## I agree with the following statements:

- 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 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'.

Sincerely,
-Jay Rosenbloom

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