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**From:** Randy Sisk [rsisk@cisco.com]  
**Sent:** Thursday, April 22, 2004 4:07 PM  
**To:** Director - FASB  
**Cc:** jsisk@austin.rr.com  
**Subject:** File Reference No. 1102-100,

**Letter of Comment No:** 1542  
**File Reference:** 1102-100

To:  
Chairman Robert H. Herz

Dear Mr. Herz,

I wanted to drop a quick note on how important stock options are to me and my family, and my perspectives on their perception by investors. Stock options have made a large impact on my personal financial situation. They enable families to provide for future college education funding for their children. I have worked for a private as well as a public company, and these options provide the exact incentive needed to align employees interests and actions with those of the company's shareholders, because they give the individual employee an ownership interest that would otherwise not be there. Expensing the options will further obscure investor's insight into their impact on the corporate bottom line, and most investors already understand options, and account for them via dilution, when determining valuation of a publicly traded company that provides stock option incentives for employees. The perception has been that options do not align senior leader's interests with shareholders, but this is very much the exception rather than the rule. Allowing this perception of a few, to affect the ability of "rank and file" employees to receive options is a major step backward in motivating employees and providing for the global competitiveness of American companies. My final point is that my innovation levels have been at the peak of my career the last 10 years, having been awarded 13 US patents, and filing many others. I directly attribute this to my ability to influence the competitiveness of my employers (3 total during this period) through innovation, with the motivation these options provide. This is very important to corporate innovation and our ability to compete as a country, in the presence of foreign competition.

I believe the unintended consequences of expensing would greatly outweigh the perceived issues of maintaining the present accounting method, and encourage you to consider them when making your decision about stock option accounting.

Respectfully,

James R. Sisk