

**ikon**

---

**From:** Chad Bullock (chabullo) [chabullo@cisco.com]  
**Sent:** Thursday, April 22, 2004 12:21 PM  
**To:** Director - FASB  
**Subject:** Save stock options!  
**Importance:** High

**Letter of Comment No:** 1470  
**File Reference:** 1102-100

Dear Chairman Robert H. Herz:

Employee ownership through stock options is a culture that has driven and helped build some of the greatest companies in the world. It would have a devastating blow on these companies to change how stock options are handled. You want people to feel proud and work hard and drive the American economy don't you? Take this away and you will make everyone feel they are just working "another job."

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'.

Sincerely concerned,

**Chad D. Bullock**  
Manager, Systems Engineer  
Southwest Channel Operation  
(469) 255-6582



Cisco Systems, Inc.