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**Letter of Comment No:** 1632  
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**From:** Adrien Grise [agrise@cisco.com]  
**Sent:** Friday, April 23, 2004 2:07 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Dear Chairman Robert H. Herz

I am writing you today to offer my personal opposition to FASB's proposal to treat stock options as expenses. As a software engineer in the high-tech industry over the past 9 years, I have been allowed to not only contribute to the well-being of America's growing high technology industry, but also been given an opportunity to have a personal stake in the companies that I have worked for. The work I do helps my employers meet their goals and, in turn, my employers have rewarded the long, hard hours I have put in via non-expensed stock option grants.

I am fortunate to work in an industry that has seen normal, every day employees who worked for a company be rewarded as the company's stock price increases. No large multi-million dollar bonuses, no corporate luxury apartments in warm tropical islands, and certainly no private jets have ever been offered to anyone in or near my level. But my company's stock price has, for the most part, always been a positive perk for my time and effort I have spent here.

But the worth of a stock is only as good as its price at the time of sale. The only way for a stock price to increase is to make the company a more profitable and an attractive company for investments. As a stock holder in my own company, due to my stock option grants, I have a personal, vested interest to make sure that my company continues to be as profitable and business concious as possible.

Because I am not a CEO, CFO, VP, or any other executive acronym, I have no significantly large salary when compared to my peers in the high-tech workforce. However, because my company offers non-expensed stock options to me, I have no reservations about my pay scale. I know that my company's stock price will increase and will eventually make my options valuable at some point in the future. Therefore, I can spend less time worrying about my personal pay, possibly jumping from job to job for a slight increase in salary here or there, and concentrate on working as hard as I can to develop products and features for my company.

I have several friends who work for companies that do not distribute stock options and they seem to be disinterested, disenchanted, or otherwise indifferent to what jobs they work, where they work, or how productive they are. Given the chance to own a piece of the company you work for is, I believe, a major factor in productivity and employee satisfaction. Without it, employees will not contribute as much as they could to the company's efforts.

If it weren't for these non-expensed stock options, I would not have been able to purchase my first home. After working for a small software venture for 3 years and being issued several sets of options, when I finally left that company (due to geographical restrictions of my own), I was able to use the options given to me to form the down payment towards the purchase of my first home.

Living in the metro-Boston area, rental costs are extremely high, and saving money for any large purchase, never mind a house, is very difficult. The cashing in of options allowed me the extra monetary leeway to live the American dream and own my own home.

Today I work for a new company, but one that still issues non-expensed stock options to its employees. It was a major reason for me to join this company versus any other. The company offers me an incentive to work hard and contribute to the corporate bottom-line and its future along with my fellow co-workers. If stock options were expensed, it is unlikely that my company would issue options to as many employees as it currently does (currently every employee!) It would be a tremendous hit on company morale and could cause large amounts of very intelligent, technical, and business-savvy co-workers to leave in search of better salaried jobs.

Gone are the days when college graduates looked for a job to hold for the next 15-20, or even 30 years till they retire. I know I never expected to work for any company for more than 2 years through most of my career when I graduated. However, I have found that because of my options vesting over time, it is an incredible influence on any ideas I have about leaving my company and "job-hopping" in search of few extra dollars here or there.

Non-expensed stock options are very important to my industry and other commercial markets. Please understand that by forcing options to be expensed, you are significantly limiting the ability for companies to reward employees for their hard earned work. I urge you emphatically to consider this opinion and the opinions of many other lower-level employees of companies that currently issue non-expensed options and to reconsider your draft plan of forcing options to be expensed.

Sincerely,

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