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Letter of Comment No: /562= File Reference: 1102-100

From: Sent: To: Subject: Rick Santarpio [rsantarp@cisco.com] Thursday, April 22, 2004 9:15 AM

Director - FASB

**Expensing Stock Options** 



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Dear Chairman Herz,

My name is Rick Santarpio, and I am an engineer with 25 years of experience in the high tech sector. I am writing you in regards to File Reference No. 1102-100, the expensing of stock options. Over my 25 years in the engineering profession I have worked for 5 companies, all of which offered me stock options. Although I am not an executive, but rather an individual contributor, the stock options I've exercised over the years has enabled me to purchase my first home, my current home, and will be used to help finance my children's college education which begins this fall. In essence, stock options have allowed me and my family to get ahead. Even though I am on a fixed salary, I generally work 10 hour days and am willing to work nights and weekends to help my employer succeed. The reason I'm willing to put in this extra effort is because I understand I will directly benefit from the success of my company. This is how high tech works. This is how we produce the best technology in the world. If stock options are expensed, it is clear that they will be severely reduced or even eliminated for engineers like me. It's tough enough to compete with engineers in China and India that will work for \$10K - \$20K a year (not including the stock options they receive). Not benefiting from our company's success makes it much more difficult for US engineers to rise to the challenge. Before legislating this law, please consider the middle class people like me who have benefited from the extra effort they have given to their employers. Also consider the reduction in the number of college students pursuing careers in technology (the best and the brightest generally follow the money). It is a critical time for the US in our global economy. Please don't put us at a competitive disadvantage.

Thank you, Rick Santarpio

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