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Letter of Comment No: 4207
File Reference: 1102-100

From: Al Navas (anavas) [anavas@cisco.com]
Sent: Thursday, June 10, 2004 6:32 PM
To: Director - FASB
Subject: File Reference No. 1102-100, Stock options

Chairman Robert H. Herz

My name is Al Navas Operation manager for a high Tech company in Silicon Valley California.

I am writing this letter to express my concern on the stock options legislation being propose.

From an accounting point of view, the high valuation for stock options being imposed by the FASB will, most certainly, eliminate stock options as a tool for me to work as hard and committed to drive innovation. Why should I if the rewards are not going to be there.

Why are options being looked upon as expense since they do not use the company assets is still beyond me.

Aren't the true cost of stock options a dilution EPS which is accounted for when I exercise my options.

Stock options are a way for me to have ownership, be a key player and share the risks with other colleagues, without starting my own business. It gives me hope that all my hard work will pay off one day. Without it, it would be extremely difficult for companies to compete with other companies in other countries.

Even China uses options to compete with us and they do not expense it. Can you imagine a US company competing with China without stock options based on labor alone? We would not survive.

I moved to California in the early 80s , as did most of my colleagues looking to work in a company where I can give it my all for future rewards.

I have never taken a job without stock options and don't see how companies can still give options with this new legislation. Not to mention how many companies wealth have been founded from my colleagues due to the options.

I hope in writing this email it will help you understand what motivates me (most high tech individuals) to work the demanding hours make the commitment and necessary sacrifices for my future.

So, Please, say NO to expensing stock options.

Thank you in advance,

Al Navas

Operations Manager for CCMSBU (Carrier Class Multiple Service Business Unit)

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