Stacey Sutay

Letter of Comment No: 384
File Reference: 1102-100

From: Rick Santina [rsantina@cisco.com]
Sent: Monday, April 19, 2004 8:12 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz:

Mr. Chairman,

I am writing you today to ask you to protect one of the few bright spots in my economic future - my stock options.

The FASB's plans to require companies to start expensing options is, quite frankly, an over-reaction to the greed that the economic "bubble" engendered in many high level executives. While it is true that some high level players abused stock options, requiring companies to take unrealistic valuations on employee stock options is not a viable solution to the problem.

Let's face it, the Ken Lay's and Andrew Fastow's of the world can always find a way to suck the money out of a company - and they don't need options as a tool. Dennis Kozlowski proved there are any number of ways to raid a company without resulting to options.

So, if forcing companies to expense options won't prevent "the big guys" from "raiding the piggy bank", just what will it do? It will hurt the little guys like me. My stock options are a part of my financial plans for the future. I'm not saying I am betting it all on options but, they could make the difference between a state college education and Stanford for my kids. The addition I want to put on my house will happen sooner than later if my options can pay for the construction. Retirement could be nicer if my options do well.

Expensing options will mean the end of stock options for little guys like me. At Cisco, the bulk of the options go to "just plain folks" - not management. We raise kids, buy houses and cars and try to make ends meet in one of the most expensive, and hardest hit, places in the world.

Please consider the damage you will do to little guys like me before you adopt final rules on the expensing of stock options.

Rick Santina

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"They that would give up essential liberty to obtain a little temporary safety deserve neither liberty or safety"
Benjamin Franklin, 1759