## Message

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Letter of Comment No: 4203 File Reference: 1102-100

From: siegmund [siegmund@cisco.com]

Sent: Thursday, June 10, 2004 10:08 PM

To: Director - FASB

Subject: File Reference 1102-100

Please take serious consideration to this. Employee ownership has been a part of my company's culture and we all work hard and contribute to its success and deserve to own stock options to continue doing a better job for the the Company and ultimately for ALL the share holders.

I am writing to you with the concern of the 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.

## Competition:

- 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'.