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Letter of Comment No: 593
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From: Rob Kowalski (rkowalsk) [rkowalsk@cisco.com]

Sent: Tuesday, April 20, 2004 10:04 AM

To: Director - FASB

Subject: NO EXPENSING OF OPTIONS

To whom it may concern:

Please do not force the mandatory expensing of options. This is ludicrous.

Let's be reasonable here:

Options don't use a company's assets, so to apply them as an expense breaks the most basic of accounting rules. Options get accounted for upon exercise, so they already have an accounting method in firms' books.

Job creation and innovation will suffer.

Countries like China, who expense options (and exploit copyright laws) will have an advantage and threaten the US's technology

leadership.

Thank you,

Rob

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