## **Len Tatore**

Letter of Comment No:/386 File Reference: 1102-100

From: Sent: John Ahlstrom [jahlstro@cisco.com] Wednesday, April 21, 2004 5:23 PM

To:

Director - FASB

Subject:

Killing the Goose that lays the Golden Eggs: File Reference No. 1102-100

Chairman Robert H. Herz, FASB

Sir:

No action is right or wrong independent of its consequences. Has FASB really, adequately assessed the probably consequences of requiring stock options to be expensed?

I have been in the computing business for just short of 40 years. During that time, I have been a founding employee of 2 start-ups and a founding manager of 2 others. I can assure you that I would not have taken any of those 4 jobs without substantial stock options. I can assure you that those start-ups would never have been started without the ability to provide employees with substantial stock options.

The problem is even worse for early stage public companies. If they cannot offer options to most employees, the will either not grow or will have two classes of employees - those with and those without options. Not a happy work place.

Start-ups have been the engine of technological invention; early stage public companies have been the engines of employment growth. Do we want to lose these engines to countries that do not have the same kinds of option regulations as the US has?

What real problems does making it difficult to offer options to huge percentages of employees solve?

Does the proposed solution cause more problems than it solves?

Please carefully consider the consequences of your actions.

John K Ahlstrom