## Len Tatore

Nathan Steinbauer (nsteinba) [nathanst@cisco.com] From: Sent:

Wednesday, April 21, 2004 5:22 PM

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: File Reference No. 1102-100



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4936 Drew Ave. South

Minneapolis, MN 55410

April 21st, 2004

Chairman Robert H. Herz

As a recipient of stock options, I am writing to urge you to not treat stock options as an expense.

Letter of Comment No: 1379

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Stock options are a symbol of America's global leadership in innovation and productivity. An attack on stock options is an attack on America's leadership itself.

Therefore, I implore you to not cripple my family, my industry, and my country with the unnecessary expensing of stock options.

- I also understand that as chairman of the Financial Accounting Standards Board (FASB) you hold a concern for the public interest in matters of financial accounting and reporting. Below are 3 points on how stock options do not harm the public's interest, and to the contrary, benefit the public's interest. When making your decision, please take the following into account:
- The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven America's innovation and productivity.
- The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.
- Stock options do not meet the definition of an expense because they do not use company assets.

In summary, expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. Please make the correct choice to not expense stock options.

Should you have any further questions, please feel free to contact me at 612-747-4015 or nathanst@cisco.com.

Sincerely, Nathan Steinbauer

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