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From: Cullivan, Bret [cullivan@cisco.com]
Sent: Wednesday, April 28, 2004 1:49 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Mr. Chairman Robert H. Herz-

I recently learned of the Financial Accounting Standards Body (FASB) draft recommendation to expense stock options. In learning of this recommendation, I immediately was disheartened by this decision. I've worked in the high-technology industry for over 14 years and have been a recipient on occasion of stock options. I'm not a high-level manager or executive I'm an individual contributor, but I count on stock options as motivation tool to help make sure myself and my company succeed in the market place. Not only do stock options help promote innovation and the willingness to succeed, they have also played a crucial part in allowing my family to purchase our first house, begin to save for retirement and my infants college education. I can't understand how the United States is about entrepreneurialism and innovation and a country like China which is inclusive and communist is promoting broad based stock options and the United States is reversing it's course. This will create a further divide and weaken our competitive position in the global market place. I see no value in expensing stock options. They can not be accurately accounted for. What happens if my options and many of my co-workers options are never exercised over a 10 year period? Are companies expected to go back and restate their earnings over that long of a time horizon? This seems ludicrous. I don't think this provides any transparency whatsoever on the true accuracy of financial statements of US companies and goes against the Sarbanes/Oxley act. I can possibly understand expensing executive management stock options, but not the rank and file. With the passing of this recommendation, it will further delay hiring in the US and the acceleration of exporting jobs overseas.

Regards,
Bret Cullivan
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