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From: Jerry Signer [jsigner@cisco.com]
Sent: Monday, April 26, 2004 2:08 PM
To: Director - FASB
Subject: Expensing Stock Options Is a Bad Idea!

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Dear Mr. Chairman Robert H. Herz

I did notice in the news that FASB has released a draft plan stating that they intend to treat stock options as an expense.

I work for Cisco Systems Inc. In San Jose, CA. Cisco has been issuing stock options since the company got started 20 years ago. Myself, I am working at Cisco for 3 years. One of my drives to (1) be loyal to the company, and (2) stay motivated on the job, is driven by the compensation the company is offering. Part of the compensation are stock options. Granted, these options are only valuable if the company succeeds and the stock price goes higher.

Expensing stock options will most likely be the end of stock options for employees. The effect will be that employees will no longer be loyal to their employer, also the motivation will drop. Both are key for employees to perform to their best and invent. Inventions are key to success of every company, the country and will drive the GDP.

Foreign companies like companies in China are issuing stock options to their employees. If we eliminate these options in the US, it will be huge advantage for these companies and be a real threat to US companies. Also, top US inventors will get lucrative offers from foreign companies and leave the US.

That's why I believe, expensing stock options will be bad for our companies and the US as a whole. Let's keep the US companies successful and make sure US stays successful!

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