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From: Sent: Keith Spainhour [keiths@cisco.com] Tuesday, June 15, 2004 9:02 AM

To: Stacey Sutay

Subject:

Stock Option Expensing Comments

Letter of Comment No: 4349 File Reference: 1102-100

1) I am an employee who benefits from a broad based employee stock options program and am opposed to the exposure draft released on FAS 123.

- 2) If implemented, FAS 123 will likely bring an end to broad-based employee stock option plans.
- 3)Broad-based employee stock option plans have not only motivated me to work harder and more efficiently, but also benefit shareholders by better aligning employee and shareholder interests. With stock options, I benefit only when the shareholders benefit.
- 4) Employee stock options are not freely trade-able and are subject to forfeiture if I leave the company and are impossible to value. How can you value something that has no market value? Under this exposure draft, FASB will somehow come up with a value-- however inaccurate-- and force companies, like mine, to put inaccurate information on the financial statement. Indeed, financial statements will become less to the individual investor.
- 5) Please reconsider and rescind this exposure draft.

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