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From: boburns [boburns@cisco.com]
Sent: Friday, June 11, 2004 9:57 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Expensing Stock Options

Letter of Comment No: 3416
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I am sending this e-mail to express my opposition to the current plan to force corporations to treat stock options as expenses. My reasons are as follows:

The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.

Stock options do not meet the definition of an expense because they do not use company assets.

The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)

Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be "first, do no harm".

Yours Sincerely,
Robert Burns