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From: Sunil Srivastava [sunils@cisco.com]
Sent: Wednesday, April 21, 2004 2:54 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 1167
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Dear Sir,

This is not really about the subject of expensing the options. It is about the subject of making Corporate America and America's Global competitiveness based on technological edge and about generating more jobs. The same model is being adopted by companies outside USA because they see the benefit.

I have worked for 22 years and know what kind of toil it takes to produce the technology in a short time. Technology Workers can not really have a 9-to-5 kind of job and create the magic created by Silicon Valley companies. They need to work for hours day and night most of the times and the incentive is the dreams of making themselves rich one day. They invest their extra labor for the success of the company for free in the beginning in hope of a huge reward.

If the options are expensed hugely, the stock prices would head south. And this would discourage companies to issue more stocks to the employees. Hence employees would loose the incentive to work those long and grueling hours as if it was their company.

This cost of labor could be only expensed as a regular labor cost but then there is no leverage and no upwards promise. The employee might as well take up a second job. There is no real way to expense it as there is no real way to calculate the price of options up-front until it has been exercised. This is reflected in dilution of EPS by having more shares.

Silicon Valley has contributed to the success of America because of this culture and please do not take this culture back. You would take away entrepreneurial spirit from USA.

Regards,
Sunil.