## Stacey Sutay

Subject:

FW: Expensing of Emplyee Stock Options

Letter of Comment No: 2262 File Reference: 1102-100

----Original Message----

From: Paul Berggren [mailto:pberggre@cisco.com]

Sent: Friday, May 07, 2004 11:59 AM

To: George Batavick; Robert Herz; Mike Crooch; Gary Schieneman; Katherine Schipper; Leslie

Seidman; Edward Trott

Subject: Expensing of Emplyee Stock Options

## Dear FASB Board Members:

I am writing to express my deep concern for and strong opposition to the expensing of stock options based. I am a rank-and-file employee of a high-technology growth company in Silicon Valley. Our company has created tens of thousands of jobs and enormous wealth for our employees, shareholders, community and country, and has served as a powerful force in establishing America's leadership in technology.

Please do not confuse good corporate governance with the issue of stock options. The two are unrelated and it would do our country an enormous disservice by wrongly hampering the growth of one of our strongest national assets (the innovation of our people) by stripping us of a key ingredient to the successful growth of our industry. Current valuation models for expensing stock options are fundamentally flawed and to require business to expense these options based on these models would unfairly weaken their valuations versus their global competitors, thereby hampering investor demand for these businesses and industries, and ultimately weaken our countries competitive strength in the world economy.

As it has been said that in the history of the world, no one has ever washed a rented car. And so it is with employee ownership in the businesses we work for. Employee ownership has been the key to the success of our industry and by extension, a key driver in the growth of our economy and country. Please do no harm here.

Thank you,

Paul Berggren