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Letter of Comment No: 213 5
File Reference: 1102-100

From: Steve Kolecki [broken_winger@yahoo.com]

Sent: Friday, April 30, 2004 5:59 PM

To: Stacey Sutay

Subject: Broad Based Stock Options

Dear FASB,

Every successful society finds a way to improve from generation to generation. Broad based stock options give employees motivation and financial tie-in to large companies who in generations past only "took care" of their top level executives. The amazing thing about stock options is the enormous difference it makes in terms of daily motivation. Each micro-decision executed eventually ties in to the macro bottom line but if the micro-decisions are being made by individuals who aren't tied to the macro bottom line in any meaningful way then something has been lost.

I could go on and on about how much I have benefitted financially from broad based stock options but I'm sure you've heard it all before. So instead I'd like to tell you about what I CANT do with my stock options.

I can't sell them on the street. I can't give them to you or my family. I can't even use them as collateral for any loan for anything. I can't take them with me if I leave a company and I can't tranfer them to stock in a different company. So I simply ask... Where is the value that you would charge my company for issuing them to me? The stock dilution is already calculated and accounted for so where is this other mysterious value. I can't see it. I can't spend it. I can't even guarantee it's going to ever exist. All I can do is thank my company for giving me a vested interest in its future and work with my company to insure that at whatever level I can I make that investment pay off.

Motivation comes in all shapes and sizes and so does innovation. For all those innovators out there that can't take the chance of branching out on their own to create new things there "was" always the option to go to a company that rewarded innovation with financial ties to its own bottom line.

I guess I mean to say this. If you were an investor and had to choose between 2 companies. Would you choose the company whose employees cared so much about the company that they work "extra" long and hard, or would you rather put your hard earned money into a company where all the employees are just "collecting a paycheck." I don't know about you but I'd choose the former. And isn't that what we are talking about here investor protection as far as accounting is concerned. The fact that no one wants another ENRON....

So I beg you do this. Consider my email...

And then

Get back to me if you can do any of the following.

Find a way to give me CASH money for unvested stock options. Find a different way to motivate me to care more about my company than some other company.

Find a way to invest in a company where the morale is low because the management treats the peons like slave labor.

and finally...

Find a way to look me in the eye and tell me that you are doing this for the betterment of the investing community.

I don't think you will because I don't think you can.

Please reconsider FAS 123.

Steve Kolecki Cisco Systems

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