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Letter of Comment No: 1148
File Reference: 1102-100

From: Michael Astle [mastle@cisco.com]
Sent: Wednesday, April 21, 2004 11:37 AM
To: Director - FASB
Subject: Please Do Not Expense Stock Options

Dear Director,

I am very concerned that you are considering a recommendation to treat common stock options as a company expense. This will severely limit my company's ability to offer options as a motivation to work hard at this company. I currently work for Cisco Systems, Inc., but also benefited from the stock option plan previously at Novell, Inc. I believe stock option plans are not only necessary to motivate employees to produce at a high level, but they also have a strong ripple effect that directly benefits the U.S. economy now and provides strength for its future.

When I worked at Novell I used stock options to purchase a family van that we used for many years to travel to the Pacific Northwest, Yellowstone, and many other places that helped build our family unity. We also used those options help put two of my children through college.

Now, as my wife and I are getting closer to retirement age, we are depending on stock options for security. First, we are paying off our mortgage and consumer debt, which we incurred for children's weddings, helping them get a start, and so on. We are also looking to our stock options as an investment fund for our retirement, along with our 401(k), as Social Security is surely on shaky ground.

Please notice that the benefits of our stock options have not only helped us build what we consider a solid family, but the van and other consumer items we purchased gave the economy a needed shot in the arm. As well, the educations we provided and the families we helped get a start will continue to build strength into our economy in the future.

Sincerely,
Michael Astle