ikon

Letter of Comment No: 5214
File Reference: 1102-100

From: Director - FASB
Sent: Thursday, June 17, 2004 3:47 PM
To: ikon; Karen Salmansohn
Subject: FW: File Reference No. 1102-100

-----Original Message-----
From: Eric Burns [mailto:datamonk@cisco.com]
Sent: Thursday, June 17, 2004 3:41 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz,
I understand that FASB is looking at how publicly traded companies should expense stock options. I worry that some of the methods being considered would lead to artificially high valuations of such options - which would have strong negative impact on US based companies.

I've been a high-tech worker for close to 10 years now. I've worked for companies that no longer exist - the options never became anything of value. The options I've received in the past several years are also "under water" and have no monetary value. But they do have an intangible value in that I know that when our company does better they will be worth something. It gives us a real motivation to see the long term growth of our company - a little incentive to work harder with the long term goals of our company in mind.

The current plans will make it harder for the US to compete with countries like China where options are not treated as an expense. These plans will also hinder American high tech reducing job creation and innovation. There will also be less incentive to take risks.

Please reconsider the valuation the board is currently considering. Thank you, Eric Burns
IT Engineer Cisco Systems