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From: Mark Bochow [mbochow@cisco.com]
Sent: Friday, April 23, 2004 1:43 PM

To: Director - FASB

Subject: File Reference No. 1102-100 "Expensing Options"

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Dear Chairman Robert H. Herz,

I am writing to you to express my concern over the issue of the recent proposed legislation requiring companies to expense stock options.

For me personally, the issue of options is one about future dreams. Not fabulously extravagant dreams of immediate riches without hard work...but of rewards for energy and collaboration with my peers and a focus on growing business and maintaining a shared vision that drives innovation throughout our industry, resulting in benefits for the consumers of our products.

Letter of Comment No: 1586 - File Reference: 1102-100

On another level and, in terms of fairness, it seems to me that having companies expense options swings the pendulum too far in the other direction from a system of accounting where companies were once allowed to cite revenue based on future bookings (not right) to a system where companies are actually held to account immediately for costs that have not yet materialized (equally not right). Accounting should be on the actual flow of money in and out and should be based on real numbers. Certainly, when options are exercised and money flows out, companies must account for this and so prematurely asking businesses to treat options granted as money spent and arbitrarily assigning these a future value is not the right system at all. This will have a depressing effect on shareholder value and will, I believe, have a net effect of reducing American businesses' overall competitive edge in the world market.

This is not an issue of greed and should not be seen as such at all...but rather an issue of employee ownership, innovation, and competitive viability.

It is an also an issue of some folks' dreams for home ownership, their children's college tuition etc.

Please consider not expensing options.

Thank you for your consideration, Mark Bochow

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