

**Stacey Sutay**

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**From:** Tony Archer [tarcher@cisco.com]  
**Sent:** Monday, April 19, 2004 5:22 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Dear Chairman Robert H. Herz,

Sir, I implore you to reconsider the option of expensing company stock option plans. There is no greater motivator or sense of ownership in one's company than the stock option program. I was able to put a down payment on my first home because of the employee stock option program. I have had extremely high hopes that my employee stock options could be used to ease the financial burden of my children's college.

From an accounting perspective:

- The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.
- Stock options do not meet the definition of an expense because they do not use company assets.
- The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

Regards,

Tony Archer