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**Sent:** Friday, April 23, 2004 7:39 PM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com  
**Subject:** File Reference No. 1102-100

**Letter of Comment No: 1366**  
**File Reference: 1102-100**

Chairman Robert H. Herz,

I'm writing to state that I am against the expensing of stock options. America is about ownership and stock options are a part of that. The options that I get from my company are motivational in that they give me a greater stake in the success of my company. On a personal level, the ability to earn stock options, work hard to increase the value of the company and it's stock, and later exercise those options provides the means to improve my family's house.

In addition, expensing stock options has the following accounting issues.

- Artificially high valuation of stock options required by FASB will eliminate stock options as a tool to drive innovation and productivity.
- Stock options do not use company assets so they do not meet the definition of an expense
- The true cost of a stock option is the dilution of earnings per share. This is already accounted for when options are exercised.

Expensing stock options will hurt America's ability to compete with other countries that use stock options as an incentive. Expensing options will also impact America's high tech leadership, innovation and job creation. This is a big enough problem in today's economy. There is no need to make it any worse.

-Mark Rzasa