## Stacey Sutay

Letter of Comment No: 36 5 File Reference: 1102-100

From: Douglas Havnes [dhavnes@cisco.com]

Sent: Monday, April 19, 2004 8:38 PM

To: Director - FASB

Subject: File Reference No. 1102-100

## Chairman Robert H. Herz:

Please reconsider your current plan to force companies to expense stock options. The current stock option plan will artificially value options so highly that companies will be forced to stop or drastically curtail option plans that are valuable tools in aligning employees with both corporate and stockholder goals. I do not believe that stock options even meet your definition of an expense because no company assets are used. The cost of an option is in the dilution of EPS and is accounted for when exercised. I feel you serve no ones interest with the current stock option accounting plans. Employees and stockholders will lose.

Placing this unreasonable burden on corporate America negatively impacts millions of tax paying American workers. It forces companies to place there best and most talented works in countries where options can be used to aggressively motive technical leadership and growth. Once again we are faced with pushing jobs to other countries like China where options can and are effectively used.

I want the many companies I hold stock in to be able to hire and keep the best employees that are available. Please keep America's leadership role in technology alive by permitting stock options to continue to motivate the innovation and creativity necessary to deliver the best products in the world.

Sincerely,

Douglas Haynes

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