

Len Tatore**Letter of Comment No: 1429**
File Reference: 1102-100

From: Joseph Wackerman [jwack@cisco.com]
Sent: Thursday, April 22, 2004 8:12 PM
To: Director - FASB
Subject: File Reference No. 1102-100
Importance: High

Chairman Robert H. Herz,

I wanted to be sure that your organization understands how important stock options are in keeping innovation alive. Working in a high tech company involves risks and sacrifices. What would drive a worker to risk their career at a high tech firm as opposed to something less exotic with less demands? The answer is stock options. The connection that is felt between personal contribution and success can be fulfilled with the promise of a piece of the pie, stock options.

Changing accounting standards will result in a loss of stock options for many average employees. The governance of options should be controlled by the individual boards of directors, with approval of the shareholders. Any value placed on options is entirely arbitrary, they have no concrete value when dispensed, and there is no equitable way to value them. The B-S method is flawed and not universally accepted.

I'm sure you have gotten many letters on this subject. I just wanted to make a point that the real people who would be hurt are the average workers. The changes proposed would not fix the problems that have been posed.

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