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Letter of Comment No: 542
File Reference: 1102-100

From: Jeff Birkel [jbirkel@cisco.com]
Sent: Tuesday, April 20, 2004 8:49 AM
To: Director - FASB
Subject: Stop Stock Option Expensing (File Reference No. 1102-100)

To Chairman Robert H. Herz,

Please reconsider the FASB draft plan to treat broad-based employee stock-options as expenses. The stock option plan at my company means a lot to me and my family and I would hate to lose it. Until starting with this company two years ago I had expected that college tuition for my children, both now in high school, would drain all of our saving or even require another mortgage on our home. Now I am hoping that with an increase in the company's stock price over the next few years the option plan will help us cover a large portion of the cost.

I am committed to helping my company increase share value. In twenty years as a software engineer I have never felt my own interests aligned so closely with my company's, but then I have never before worked for a company that regularly distributed stock options to its regular employees.

I know that there is anger in the country at the excessive compensation for some top executives, including grants of stock options, but it is my understanding that the main effect of the proposed rule change would be to end the broad-based stock option plans that benefit the rank and file. If so, why answer anger at the criminal excesses of a privileged few with a plan that punishes many hard-working regular employees?

It is also hard to understand, when we are in the midst of an out-sourcing crisis, why the FASB would propose a rule that further hurts the competitiveness of US companies.

I understand that this is an important and complex issue and I appreciate the seriousness with which the FASB is addressing it. Please remember that stock options are more than boon-doggles for the corporate elite. Please remember that broad-based stock option plans benefit families and unite employees and their employers. Please allow such plans to continue.

Sincerely,

Jeff Birkel
Software Engineer
Cisco Systems, Inc.