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Letter of Comment No: 1913

File Reference: 1102-100

From: Dirk Speas (dspeas) [dspeas@cisco.com]

Sent: Sunday, April 25, 2004 11:21 PM

To: Director - FASB

Subject: Stock Options Proposal

I am writing this email as an individual who has been in Silicon Valley as an employee for 25 years, and as someone who has benefited from options -- as well as been disappointed when stock price has fallen beneath strike price.

I believe that stock options are an important part of incenting employees -- whether in 'Hi Tech' or 'Low Tech.'

We should be aware that the cost of stock options is made visible to investors within the concept of 'diluted' earnings per share, and so there is no misleading of investors.

Further, these options are granted at FMV; thus, employees only make money when outside investors make money -- feels like a 'fair deal' all the way around.

Net: FASB proposal to 'expense options' -- at arguably high artificial value' -- does not make sense in our global competitive environment.

R. Dixon Speas, Jr.