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From: Tom Lay [tolay@cisco.com]
Sent: Thursday, June 10, 2004 10:51 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Stock Options

Stock options have always been a primary driver in the establishment of new companies in this Hi-Tech age. These new Hi-tech companies have positioned the US as the world leader in innovation and economic prowess. Cisco, Microsoft, HP, Sun, Dell, EMC, Intel and others are the leaders in their industry today because they could attract quality professionals with Stock Options, especially during their formative years. These companies barely existed 20 years ago. Today they are true global leaders in their fields. It is people that make a company successful. Without the people these global companies were able to attract with Stock Options they would not enjoy the position they are in today. Many high paying jobs in manufacturing, engineering, marketing and accounting would not exist. Productivity in our factories and plants would be greatly reduced. The internet and all of it's advantages; socially, economically and politically would only be a shadow of what it is today.

In many cases companies that are just starting out cannot afford big salaries so they offer this equity compensation to inspire the hopes and dreams of their employees. It has worked! Many of the people that worked and sacrificed long hours in these companies have seen their American dream come true. Stock Options are the tool, the catalyst of this 21st century American dream.

Changing this accounting principle in the way companies value Stock Options will all but destroy this catalyst. I am 48 years old, so this change will have only a minor impact on my future. But the future of our children and grandchildren is at stake here. I want them to have the opportunity to participate in the American dream, like we have.

Thank-you

Thomas H. Lay
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