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**From:** Jambunathan Guruswami (jguruswa) [jguruswa]  
**Sent:** Wednesday, June 09, 2004 9:33 PM  
**To:** Director - FASB  
**Subject:** Stock options and its impact.

**Letter of Comment No: 3356**  
**File Reference: 1102-100**

Dear Chairman Robert H. Herz,

Incenting employees in one way or the other has been traditionally used to improve productivity and also get every employee to be part of a family. In today's rapid changing environment, it is hard to retain good talent. Stock Options is one way where every employee feel that they are rightly rewarded for all the work they did for the success of the organization. Stock Option we use in CISCO are rewarded to people who go above and beyond they job role/definitions.

One definitely needs to account for it and pay for it. Please dont simply make expensing option mandatory, especially at an unrealistically high valuation. This will definitely take away the hope and promise of tomorrow we have all been working hard.

I got my first option in 1996, I was able to help my family gradually get over their debt. I was able to generously contribute to charity. The hope and the dream of being able to support my family for the future would be snatched away. This also would make us uncompetitive and move innovation out of the valley in this fast paced TECHNOLOGY world.

It is absolutely essential that the TOP management are responsible for driving success of the organization and not fattening their pockets for short term gains. By imposing unreasonable requirements, it will make companies shy way from granting any option to the employees and will make countries outside the US more attractive.

We need to preserve broad-based stock options plans and address the serious economic implications of stock option expensing. This will impact Growth, innovation and job creation opportunities.

Please don't snatch our hopes away and all that we have worked hard and strived for.

Regards

-jambu

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