

ikon

Letter of Comment No:976

File Reference: 1102-100

---

**From:** Garry Ley (gley) [gley@cisco.com]  
**Sent:** Tuesday, April 20, 2004 12:25 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100 - Do not expense stock options

Dear Mr. Chairman Robert H. Herz,

Employee ownership is critical for United States companies to compete in a worldwide economy. Do not expense stock options, if you do it will have very negative impact on our competitiveness. Stock options align American workers objectives with stock holders objectives. Options are not a direct expense to a company and as such accounting rules should not be modified to discourage options. Stock options are an integral part of my compensation package and big incentive for me to innovative, to be efficient and be productive. It would be un-wise for United States economy to take away this incentive. Plus the true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

Regards,  
Garry Ley  
Mgr, Advanced Services  
Cisco Systems, Inc.  
2121 Tasman Dr.  
Santa Clara, CA 95054  
T: 408.527.0765  
E: [gley@cisco.com](mailto:gley@cisco.com)