

ikon

From: Lynn Tran [lytran@cisco.com]
Sent: Tuesday, April 20, 2004 11:45 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: stock option expense File Reference No. 1102-100

Letter of Comment No: 799
File Reference: 1102-100

Dear Chairman Robert H. Herz,

My name is Lynn Tran and been a Cisco employee for the last 9 years. I would like to urge you not to expense the stock options program for many reasons:

As an employee, I see stock option as a way to give me a sense of ownership of the company. When one owns something he/she would tend not only to be loyal to the company but also motivated to do his/her daily work with the best effort. Productivity and innovation increase as reward increases. Personally, Cisco's stock options program has been helping us financially. We were able to own a fairly decent house in one of the most expensive living areas. With a family of three children, stock options would be a big help for us when our 11, 9 and 3 years old children are ready for colleges as you can see the college expenses are increasing every year.

As a shareholder, with the high valuation for a stock option required by FASB will make the US companies to stop the stock options program. This will have a big impact on the competition end as other companies in other countries like China, they still uses options to attract the workers and it doesn't account for expense. Or if the US companies have to expensc the stock options it will limit the company the money to hire new workers. With the current US economy condition, I would think job creation should be the top priority. By the way, it doesn't make sense to expense the stock option when doesn't use the company asset and its true cost of the option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

With the above reasons, I urge you to have a second thought on the idea of expense the stock options. Thank you so much for spending time listening to my voice as a US worker.

Regards,

Lynn Tran