

Stacey Sutay

Letter of Comment No: 463
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From: David Bokaie (bokaie) [bokaie@cisco.com]
Sent: Monday, April 19, 2004 4:13 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100



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To Whom it may concern,

I would like to my voice my objection against expensing stock options. I do understand the needs and concerns driving this change but believe that our approach is an over reaction to these concerns.

I have been in the silicon valley and this industry for over 20 years and have witnessed what stock options have done to energize employees at all levels. Bigger companies have used stock options to reward their top employees to take risk and advance their ideas across the organization. It has also created a common interest in the well being of the company as the better the company performs the more valuable the options become. Employees regularly challenge bad decisions that has negative financial impacts. Stock option impact on smaller startup companies have been far greater. It has allowed the smaller companies to attract top talent to help develop new technologies and wealth.

Being a naturalized citizen of this country, I believe stock options demonstrated that capitalism can be good for all. It is a fair way of sharing the risk and rewards of an organization in broad based manor. Competition is becoming fierce in our industry and I am worried that losing one of the great retention tools will put us in global disadvantage. As you know, many of the advances that were made in the silicon valley was done with participation of immigrated from Far east, India, Middle Resta etc. Most of these engineers are highly skilled, have been educated and trained in United States. If the financial upside in their countries becomes more advantageous than United states, they will leave and further handicap United States competitive edge.

I do understand the need for transparency and believe that a company needs to disclose all of the stock options that it has granted and their strike prices. It should also provide a forecast of what it has plan to offer in the coming year. An investor, can use this knowledge to apply whatever formulae to ascertain whether the stock offers value or not and make buy/sell decisions.

Please do not expense stock options.

Best Regards,

David Bokaie
Sr. Hardware Manger
Cisco Systems Inc.