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From: Leopold Kahng (lkahng) [lkahng@cisco.com]
Sent: Friday, April 23, 2004 9:17 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I am an employee of Cisco Systems, a corporation that has a significant investment in its broad-based stock option grant program.

If I may, I would like to request an opportunity to share with you my thoughts on stock option expensing. About 5 years ago I began my employment at Cisco Systems, and one of the key elements in my decision process was the fact that Cisco Systems offered, and to this day still offers, stock option grants to its employee base. This was and is important to me because:

- 1)
Stock option grants promote employee ownership in the company, which promotes economic success and stability. This is because it emphasizes accountability in the workplace and the community. Ownership drives excellence, which is what separates successful companies from others, and separates the US as a successful nation and a world economic leader. Attracting top industry professionals to drive US brand recognition is key to the prosperity of the US economy.
- 2)
Stock option grants also drive employee loyalty, which more and more US companies promote. US companies need stock options to compete with foreign corporations, not only to outperform them, but to help keep US citizens working for US companies that strive to bolster our economy.
- 3)
This loyalty and dedication to the company is exactly what nurtures passion in the market, driving innovation, making the US a technology leader worldwide, which can only help our drive to be the world economic leader again.
- 4)
Stock options promote job creation.
- 5)
Stock options do not utilize company assets.

I firmly believe that the the valuation of stock options for expensing will reach a level which will make it very difficult to continue to offer stock option grants. If this becomes the case, I believe this country has much to lose from a technological, foreign trade, and financial standpoint.

Thank you,

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