

**Stacey Sutay**

---

Letter of Comment No: 280  
File Reference: 1102-100

**From:** Vinny Neumann [vneumann@cisco.com]  
**Sent:** Monday, April 19, 2004 6:46 PM  
**To:** Director - FASB  
**Subject:** Please don't expense stock options

File Reference No. 1102-100

Chairman Robert H. Herz.

The purpose of my email is to ask for your consideration when making decisions about expensing stock options. I feel this will be detrimental to the entrepreneurial spirit in this country. Please reconsider expensing stock options, especially at an unrealistically high valuations.

Stock options have given my wife and I the hope of retiring someday and not having to work until we die. Stock options have contributed to a new work ethic here at my company. This is the first company that I have worked for that has awarded broad based stock options. It is also the first company that I have worked for where every employee is completely dedicated to getting the job done. Nobody at my company works a 40 or 50 hour work week. We work as long as it takes to get the job done. I know this because there have been many weeks when my timecard showed over 80 hours. We all work as long as it takes to be successful and satisfy the customer. I have never seen that work ethic in any of the five other companies I have worked for. Stock options motivate me to work harder, produce more, and better the bottom line of my company. Since I am a shareholder, I am aligned exactly with shareholders' interests.

Please consider that the artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven productivity. It will demotivate employees and drive a wedge between employees and shareholders. I firmly believe that if broad based stock options are eliminated, American workers' productivity will slide downward. It is my opinion that stock options do not meet the definition of an expense because they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

American companies needs stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.) Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, you should be looking for ways to increase productivity, not destroy it. Please consider these points before hurting American workers and their families.

Respectfully,  
Vinny Neumann  
Project manager - Cisco Systems Inc.  
Cary, NC

=====  
Vinny Neumann - Project Manager, PMP  
Cisco Systems - Research Triangle Park, North Carolina  
Phone: 919 392-3939 - Mobile: 919 522-4922 Pager: 800-365-4578  
Email: vneumann@cisco.com - eFax: 509 461-0649  
=====