

## Stacey Sutay

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Letter of Comment No: 216  
File Reference: 1102-100

**From:** Henry Hoang [hnhuang@cisco.com]  
**Sent:** Monday, April 19, 2004 5:53 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am an employee at Cisco Systems for the last 6yrs and at other small, high tech companies in the last 14yrs of my professional career in engineering. My career choice in engineering has been fulfilling and financially rewarding due to the stock option granted to me.

Employees of small, high tech companies are always willing to work long, extra hours for weeks, months to accomplish tasks ahead of competitions. We feel this obligation to do more for our company because we are stakeholders. Our extra contributions, hopefully, will translate into extra financial rewards if the company made it.

When Compaq computer acquired our networking company in 1996, my stock options in the company helped pay for my small house in Dallas, Texas. This made a believer out of my wife, who had been complaining that I put too much hours (+60hrs/wk for more than a year) in for the start-up. The start-up I worked for didn't have much cash. They paid low wages and compensated us engineers by stock options. Without these stock options, we would not worked that hard for such a low wages. We built great networking gears for the networking industry with minimal capital and took the financial risk that panned out OK. This is what America is about. It is about capitalism.

Nowadays, I manage a small engineering group for Cisco Systems. Having stock options granted to my employees is the best form of motivation I have to convince my employees to work harder to compete with outsourcing trend to Chinese company. Expensing the stock options will limit our company capability to grant us stock options and take away the incentive for my employees to do more for the company and for our country.

I sincerely ask you to reconsider the initiative to expense stock options. I truly believe that expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation.

Thanks,  
Henry