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Letter of Comment No: 762
File Reference: 1102-100

From: Alex Truong [atruong@cisco.com]
Sent: Tuesday, April 20, 2004 8:26 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz:

I am writing to you to express my view pertaining to File Reference No. 1102-100 on how stock options has impacted me personally and how the elimination of stock options could impact innovation and productivity.

As part of the American dream, I saw that as a software engineer working in a company that offer stock options as a critical mean to allow me to work for something much more than my salary. I am working for an opportunity to be financially successful.

Although, I know that everyone may be working hard at their job to earn their pays, I strongly feel that stock options give everyone that extra push to work even harder and smarter with a smile.

Here at Cisco, a majority of us in Engineering carry a pager 24x7 to support our field team to address any urgent customer problems. I have been personally involved in many conference calls in the late hours and weekends to help troubleshoot customer problems. Although we may feel it is our duty to help our company succeed, it has added extra comfort to know that working harder for that "extra mile" will eventually also help make us be more financially successful through the increase valuation of our company's stock options. I can also see this sentiment in my colleagues' eyes, as well as everyone's echoed confirmation of: "how could we help this customer, and how can we make the product better" to prevent this kind of problems in the future, because we don't want our stock to crash as a result of this.

It is with this mentality that many of us have that if we help our company succeed, we will help ourselves succeed through the benefits of our stock options. I strongly feel that this sense of ownership drives more innovation and productivity, and gives us the extra edge to push harder to meet our goals when faced with obstacles and challenges.

In addition, I have seen firsthand that stock options have been a very effective method of people retention. I feel that this creates a stronger employee-employer loyalty bond from a vested interest from an ownership perspective, as well as acting as a "golden handcuff" to have a person considered more carefully about leaving a company with all his/her unvested options on the table.

In closing, I would like to thank you for listening, and to take into consideration how stock options has helped give many of us in the "non executive level" rank an opportunity to reach for something more than our salary, "the American dream of financial independence!"

Best Regards,

Alex Truong

Sr. Software Engineer

4/21/2004