

Len Tatore

Letter of Comment No: 1305

From: Kathleen Daggett [kdaggett@cisco.com]
Sent: Wednesday, April 21, 2004 7:56 PM
To: Director - FASB
Subject: Expensing Employee Stock Options (File Ref #1102-100)

File Reference: 1102-100

To: Chairman Robert H. Herz:
Re: File Reference No. 1102-100

Sir:

I am writing to you to strongly recommend that you do not proceed with proposals that require stock options be treated as a corporate expense. Requiring corporations to expense stock options would have a significant negative impact on the employees (like me) who have benefited from these employee ownership programs.

I have worked for four high tech companies during the last ten years, each of whom have had stock option programs for the employees. I have repeatedly seen the positive impact these programs have on the employees - in both good economic times and bad - in productivity, drive, innovation, and company loyalty.

Through the stock option programs, I have been able to work hard for my company then see the results of my efforts returned to my family as the options gained in value. I've funded home improvements by exercising these options and put money aside for my son's college education. I hope to continue to earn additional options and to benefit from my efforts as my company succeeds.

I am a mid-level employee who only has access to stock options under the broad based programs offered by companies like Cisco. I am not in a position to start my own company - the stock option programs are my best and only opportunity for company ownership. If these high tech companies are required to expense options, I have little doubt that my peers and I will no longer receive options - and that the productivity, innovation, and technology leadership generated by the stock options will be lost in the US.

Once again, I strongly recommend that you not allow employee stock options to become corporate expenses. That proposal is not in the best interest of the US economy or the US workforce. Thank you for your attention

Kathleen Daggett
5517 Marit Court
Santa Rosa, CA 95409