## Stacey Sutay

Letter of Comment No: 249 File Reference: 1102-100 Jaykumar Thontakudi [ithonta@cisco.com]

From: Monday, April 19, 2004 6:28 PM Sent:

Director - FASB To:

File Reference No. 1102-100 Subject:

TO Chairman Robert H. Herz

Dear Chairman,

I am a Technical Marketing Engineer working for Cisco Systems. I gather, with disappointment, that the wheels are set in motion to expense employee stock options. I have worked for Oil Companies, Shell Oil and Diamond Shamrock ( now Valero ), for a decade where employees were considered assets by virtue of lip services offered by senior management. Majority of employees at my previous work place treated work as a place to punch in/ punch out and get a salary, with little pride of ownership. There was no room for financial security among employees as that luxury was reserved only for Senior Executives.

It was only after coming to Cisco Systems that I discovered the true meaning of employee being treated as company assets - by virtue of stock options. It is therefore ironic to note that one of the incentives that help drive innovations and a sense of ownership is considered a bane by FASB.

Countries like India and China have only begun to emulate the US in stock options driven incentives - without the burden of expensing the same. It will make a compelling case it drive the engines of innovation completely out of the US. I hope my email will make a difference to the plight of thousands of technologists who depend on stock options to dream about a better tomorrow.

Regards, Jay Thontakudi