

## Stacey Sutay

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**From:** Chen, Bob [bobchen@cisco.com]  
**Sent:** Monday, April 19, 2004 8:29 PM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com  
**Subject:** Employee Stock Option



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Dear Chairman Herz,

As an employee in a high tech company in Silicon Valley, I can't tell you more how important the employee stock option means to me. I can speak this for myself and I believe I can also speak this for my co-workers and a lot and lot of my friends in this area.

What this program really touches my heart is that I own a piece of the company I'm working for and whatever I do on my work will affect my own company. That is a powerful factor to motivate us to work harder every day. Believe me this is a dream that every employee wants to have! I also believe that you and your colleague in Financial Accounting Standard Board well understand the current stock option plan is the sole factor that makes American companies more innovative in competing with other foreign companies globally.

I understand that you and your colleague are under pressure and intend to reform the corporate accounting practice to avoid any Enron or MCI sort of scandal in the future. However, FASB's proposal for expensing the options will very well lead to the result that most companies have to eliminate the entire stock option plan at all. From the general employees' view, your proposal is just a wrong solution and does not make sense to us. It takes away the most important factor which motivates us, the general employees, to work harder and make our companies more innovative.

I appeal to you and your colleague in the FASB to abandon the proposal for expensing the employee stock option plan.

Regards,  
Bob Chen (bobchen)  
Cisco Systems, Inc