

**Stacey Sutay**

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**From:** Wright, Michelle [michewri@cisco.com]  
**Sent:** Monday, April 19, 2004 7:06 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100 - DONT EXPENSE STOCK OPTIONS

Dear Chairman Robert H. Herz,

I write to urge you to **NOT** expense stock options, especially at an unrealistically high valuation.

In the past, my stock options have enabled me to improve my quality of life in meaningful ways. From being able to help my extended family in times of need to having the wedding of my dreams, stock options have provided me with the means to finance these important life events. If you take away this important, motivational tool, you will be doing a disservice to millions of employees who have worked very hard to realize their interpretation of the American dream.

I have personally seen the motivating effects of employee stock option programs. Owning options makes me feel like I have a real stake in the success of my company and increases my dedication and long-term commitment to my work. Stock option programs are also good for shareholders because employees are rewarded only if our company's stock value increases. Even when my options are "underwater," I feel personally tied to the success of my company.

The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity. They encourage the hard work and entrepreneurial spirit that fuel innovation, increase productivity and boost shareholder returns. Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Again, I urge you to please **NOT** expense stock options. Thank you for your time and consideration.

Sincerely,  
Michelle Wright Conn

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