

ikon**Letter of Comment No: 1965**
File Reference: 1102-100

From: Anjili Soni (ansoni) [ansoni@cisco.com]
Sent: Monday, April 26, 2004 5:00 PM
To: Director - FASB
Cc: machandl@cisco.com
Subject: File Reference No. 1102-100:

Chairman Robert H. Herz,

I am writing to you in connection with FASB's draft plan stating that it intends to treat stock options as an expncs. More specifically, I am writing to urge you not to expense stock options, especially at an unrealistically high valuation.

I am an employee of Cisco Systems, Inc. and have had the benefit of working for a company which encourages stock options as a way for employees to have a direct ownership in their company, thereby driving productivity and innovation because employees receive direct tangible and immediate benefits in the growth of our company. It is powerful incentive and one that has fueled the growth of the U.S. economy for many years now. It is also a tool that companies in other countries are using as a way to compete with the United States. China, for example, has adopted the use of stock options and does not expense options. FASB will not only be hurting U.S. companies and their employees, but putting us at a great disadvantage as we compete globally.

If FASB expenses options, particularly at an artificially high valuation, companies like mine will either eliminate or dramatically reduce their stock option programs. Many of us rely on our stock options for important purchases. For example, my ability to finally purchase a home was directly related to my stock options. I exercised a portion of the options for a down payment on my house. These large purchases, in turn, help the U.S. economy continue to grow. I would urge FASB to reconsider its position and think through the potential harm that will result.

Thank you for your consideration,
Anjili Soni

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