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**From:** Jason Wang (jawang) [jawang@cisco.com]  
**Sent:** Wednesday, April 21, 2004 2:10 PM  
**To:** Director - FASB  
**Cc:** JAWang@cisco.com  
**Subject:** Expensing Employee Stock Option will be a Big Mistake

**Letter of Comment No: 1213**  
**File Reference: 1102-100**

Your Honor,

Today the US companies especially those in the high tech industry are facing tremendous and growing competition from their counterparts all over the world. Our government should do whatever it can to assure that our industries will be competitive since it is our nation's future and our people's well beings depending on it. However, the option expensing rule now being considered affront of FASB is not going to help but in fact is going to hurt our ability to compete.

Stock option has been proven as an effective tool since it treat employee as shareholders of the company and the employee will be rewarded for their innovative and hard working for their companies' success. In our company Cisco, big trunk of the stock option were given to non-management employee including myself. I personally feel that it is one of the biggest motivation factor for me to treat my company as my own and working hard for it every day.

Expensing stock option for an artificial, high valuation will discourage the companies from issuing stock option to its employee as it has been shown now even before the FASB approving it. The majority of the lower rank of workers will be the ones getting hurt the most since most likely they will not get any stock option if the FASB passed this new expensing rule. In the contrary, some of my friends in China told me that it is trend in China that more and more companies issuing stock option to their employee nowadays and more importantly, in China government DO NOT expense stock option.

We need your great help in reviewing this matter since I sincerely believe that our industriess' and our nation's future is at stake upon your understanding and judgement of this matter.

Best regard,  
Jason Wang