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**From:** Dana Tagliafico [dtagliaf@cisco.com]  
**Sent:** Tuesday, April 20, 2004 1:31 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

**Letter of Comment No: 139**  
**File Reference: 1102-100**

Dear Chairman Robert H. Herz,  
I am writing to you in an attempt to persuade you to vote against the expensing of stock options. I am a long-time employee of a major Silicon Valley company and have been blessed with many opportunities due to receiving stock options for my job. Had I not received those initial options when I was hired, my husband I and would not have been able to remodel our home and increase the value of our home and the neighborhood. We were fortunate that we were able to exercise some options before the dot com bust, but it should be known that when employees do exercise their options, both federal and state governments benefit from the taxes we pay. It doesn't seem fair to make the companies who offer these plans treat options as expenses because the companies assets are not being used.

Companies who offer stock options plans are able to hire extremely savvy and experienced employees. Stock option plans motivate employees as well as offers added incentives when company goals and initiatives are met.

The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity. Stock options do not meet the definition of an expense because they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

U.S. companies need stock options to compete with other countries on a global basis. 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'.

Thank you for your consideration.

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