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**From:** Venkata Josyula [jjosyula@cisco.com]  
**Sent:** Wednesday, April 21, 2004 12:16 PM  
**To:** Director - FASB  
**Subject:** stock options

Hello,

I would like to bring to your attention that

- U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)
- 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'.

I appreciate if you let the US companies do the business giving stock options so that they can attract the best talent and stay competitive. In addition,

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

Regards,

Josh Josyula