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From: Jeffrey Chiang (jchiang) [jchiang@cisco.com]
Sent: Tuesday, April 20, 2004 6:20 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 7a1
File Reference: 1102-100

From: Jeffrey Chiang

Dear Chairman Robert H. Herz,

Thank you for co-sponsoring the "Stock Option Accounting Reform Act" (S.1890/H.R. 3574). This legislation addresses concerns about executive compensation, while allowing employees like me to continue receiving broad-based employee stock options.

The stock options I've received make me feel like a part owner of my company and have allowed me to see the results of my ideas and hard work. I have more of a stake in my company and my future. Also, stock options benefit the shareholders of my company, because employees are rewarded only when share prices rise.

The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity. Besides the true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised. Please help preserve this important compensation and benefit for everyday working American individual. This will help preserve the standard of living of the working class. Your leadership on this issue is greatly appreciated. Thank you for working to pass the "Stock Option Accounting Reform Act."

Sincerely,

Jeffrey Chiang
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