

**Stacey Sutay**

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**From:** Trung Dang (trudang) [trudang@cisco.com]  
**Sent:** Monday, April 19, 2004 9:44 PM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com  
**Subject:** File Reference No. 1102-100 (Against Expense Option)

Dear Mr. Chairman

I am writing this letter in hope that your committee will reverse the recent decision that will require company to expense option. I would like explain why I take that position.

First of all, the company that I work for is the first company that I have ever received stock options. Eventhough the amount of option is small, it made me more focus and work even harder in hope that the company will be more successful and in turn I will be reward with those options. In general, I believe the employee productivity and moral will be higher at company that grant options to employee because its basic concept is taped to everyone dream of working harder and become more succesful. I have worked at company that never grant option and company that grant option only to the top management and not employee. All I can see is that a lot of people come to work in an out day by day without a lot motivation at those places. I now can see a major different working at this new company. The people are more motivate and work much harder.

Second, I think that company that giving stock options will have better employee loyalty. I think that is another foundation for building a strong company. And a strong company in turn will provide a better return for the investors in the long run. What I have see in the economy is a lot of company become successful but then falter quickly because of lack of employee commitments and loyalty. People were leaving left and right because there were no incentive to stay. I truly believe that stock options provided the basic incentive to retain employee and talent to the company and also will reduce the cost of training new employees.

By the way, most of my stock option grants are underwater and probably will ever be. Those share will probably will never be excercised. Still, the belief that thecompany will grant more shares have kept me focus and worked even harder in hope that the company fortune will turn around. As you can see, if the company survives and becomes strong, it is a benefit to everyone, both the employees and the investors.

If expensing options will lead company to remove stock option grant to employee as an incentive, I think it will have an adverse effect to both the company and the employee in the long run. If expensing option is a must then the committee must come up with a accurately method such that a the company will only get a single hit of of either reducing net income or dilute share, but not both.