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Letter of Comment No: 750  
File Reference: 1102-100

**From:** Charlotte Arnold [charnold@cisco.com]  
**Sent:** Tuesday, April 20, 2004 7:41 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Chairman Robert H. Herz,

I have personally seen the motivating effects of employee stock option programs. Owning options makes me feel like I have a real stake in the success of my company and increases my dedication and long-term commitment to my work. Stock option programs are also good for shareholders because employees are rewarded only if our company's stock value increases. In the past, my stock options have enabled me to improve my quality of life in meaningful ways. Even when my options are "underwater," I feel personally tied to the success of my company.

Stock options give employees at all levels a stake in the success of our companies. They encourage the hard work and entrepreneurial spirit that fuel innovation, increase productivity and boost shareholder returns.

This legislation is a sound and better alternative to the mandatory expensing of all employee stock options.

Sincerely,

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