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To: Director - FASB
Subject: PLEASE DO NOT DESTROY WEALTH

To: Director of FASB
Attn: Chairman Robert H. Herz
Subject: File Reference No. 1102-100

I have recently learned of the plans to have stock options accounted for as an expense. At the same time I just finished watching a CNN report on "Exporting of American Jobs" (funny how the two messages came to me at the same time).

The use of widely distributed stock options as a means of sharing equity in a company with its employees is one of the greatest means by which wealth is passed to the masses. Since other countries do offer this (not to mention cheap wages), it is hard to believe that the domestic high-tech industry can continue to grow without this resource.

In the execution of my job, I have discretion to spend money on pre-sales and marketing functions. The culture of my company (please note how I use the term "**my company**") has always centered around frugality and increased productivity. However, because of the stock option program I truly view the money as "my money", and apply the same discretion as the dollars from my paycheck. On many occasions I have taken flights that required connections in order to save a hundred dollars on an airline ticket. Some other examples for how the receiving of stock options has effected my perspective on the job are as follows:

- When work requires me to purchase goods and services from third party suppliers, an extra effort is made to shop for high quality at the best cost instead of just grabbing the first thing that meets the need.

- I routinely review my consumption of services that are paid for by the company in order to find more cost effective alternatives. One example of this is where I exchanged my wireless service plan, capitalizing on expanded coverage due to a recently announced merger. This action will reduce what my company pays for wireless service by 40% while giving several other services I did not have before. In addition, where a certain allowance of calling home while on the road is provided for, my new plan addresses this as a free part of the package. The added benefit here is that in this process a new phone and accessories were purchased that generated tax revenue and sales for a company that pays salaries to employees to build it.

Overall, because there is an account with a number of stock options in it, given to me by my company's shareholders, my incentive to be cost effective and productive is greatly enhanced. In fact, I am writing this email to you past midnight Eastern Daylight Time using an Internet connection that is free with my hotel room!

A simple way to view the broad distribution of stock options:

- Stock options are issued by the Board of Directors on behalf of shareholders (and therefore accounted for by the dilution of shares).
- Employees have further incentive to be more productive to help the company grow and raise the value of the stock.
- Company becomes more productive resulting in increased cash flow.
- Company uses cash flow to expand business operations which means further consumption of goods and services which generates tax revenue and employment (**economic stimulus without massive deficits!**)
- Employee sells some number of stock options, which increases income and income tax, and expands personal consumption which generates further consumption of goods and services (immediately by the purchasing of services to sell the stock) which generates tax revenue and employment (**economic stimulus without massive deficits!**)....some number of stock options being maintained for supplementing long term savings which supports better retirement planning (a needed activity given the project status of Medicare and Social Security).

- At appropriate opportunities the company repurchases shares of stock with increased cash flow from new revenues generated by expanded business operations (now dilution is reduced enhancing EPS and shareholder value). Also, the repurchase enhances Wall Street's confidence in the company that, with its better EPS, raises the per share price which starts positive cycle all over again (**image that, economic stimulus while increasing the tax base!**)

As an example of this approach in action, I recently sold some number of stock options. With the proceeds, I was able to remodel two rooms in my home. This included the purchase of floor material, paints, trimming, window treatments, and furniture (all products made in America). Also, services were purchased for the material's installation. This paid the salary for carpenters and painters as well as the sale of the material from the local home improvement store. Again, to summarize:

- Government received tax dollars from the sale of stock options
- Government received tax dollars due to the increased money received by me
- Domestic made goods were consumed generating demand for those products
- Local retail stores generated revenue and taxes from the purchase of goods
- Local services were employed creating more tax revenue and economic activities from the spending of this money by contractors

This is Capitalism at its very best!

It certainly appears that not only is the use of broad distributed stock options to all employees a way to give incentive to Corporate America to be more accountable and productive but the economic impact is extremely positive. Instead of looking for ways to remove this capability, I beg you to look for ways to expand this activity, particularly when the distribution of stock options is made across the entire organization!

Respectfully,

James Sandgate

"Life only gets interesting at 75.....miles per hour that is"