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Letter of Comment No: 4280
File Reference: 1102-100

From: Jo Bradway [jbradwa@cisco.com]
Sent: Monday, June 14, 2004 8:19 PM
To: Stacey Sutay
Cc: paradise@cisco.com
Subject: Broad-based employee stock options

FASB,

I'm a Cisco employee who benefits from broad-based employee stock options. I'm opposed to the draft released on FAS 123 since this draft will likely bring an end to broad-based employee stock option plans such as the ones Cisco employees currently receive.

Broad-based employee stock option plans have been key in motivating Cisco employees to be more productive and to take a vested interest in the company's bottom line. The broad-based stock options are also a means to recruit and retain top talent, which our company has done successfully for years. As you know, this also benefits our shareholders.

How can one possibly place a value on something that has no market value? Under this draft, FASB will assign an inaccurate value to our stock options, which will, in turn, force companies such as Cisco to report inaccurate financial results using "fuzzy math". For example, I have options priced at \$50.37 and \$54.53. How can a value be legitimately assigned to these? These options are 4 & 5 years old, respectively, and have not seen the light of day since they became exercisable. With our stock hovering around \$22/share, no one at Cisco will benefit from these options anytime soon, so to penalize Cisco by "expensing" these would seem unfair, not to mention an obstacle to free enterprise.

Please reconsider and rescind this exposure draft.

Sincerely,

Jo Bradway

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**Jo Bradway, CCNA / CCDA**

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"I think there is a world market for maybe five computers."

-- Thomas Watson, Chairman of IBM, 1943

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