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From: Cynthia L. Hoskins [choskins@cisco.com]
Sent: Thursday, June 10, 2004 1:37 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Letter of Comment No: 3723
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Dear Chairman Robert H. Herz,

I understand from reading newspapers and hearing the news that the Financial Accounting Standards Board (FASB) is proposing to require company stock options be expensed at an over inflated rate. While I admit to not fully understanding all of the downstream ramifications of such a law, I know one thing for sure -- if the government implements such a law, companies who reward regular individual contributor employees, such as myself, will be forced to exclude stock options from our benefits. The overall effect of the law will be to punish the regular workers and cause a reduction in income and reduced standard of living for thousands of employees in this country.

It is a well known fact that the economy is improved when spendable money is channeled into the hands of the common worker instead of just a few of the already wealthy. If you change the laws as you have outlined, companies will continue to reward executives and managers with stock but the "worker bees" will be deprived of any stock rewards.

Over the past four years, I have experienced and witnessed the positive side of employee stock options at Cisco. All of the employees here have a vested interest in seeing that the company is profitable and healthy. We have the vested right and incentive to challenge anyone who does not work diligently to keep costs down and increase shareholder value. As shareholders, we employees have a strong voice and ownership feeling that is beneficial for the company overall. The general shareholders have reaped the benefits of the employees' stock ownership because we have the incentive to work harder than employees who do not have stock ownership in their companies.

Reducing regular employees to "renters" and not "owners" in the company will be very detrimental to the technology industry as a whole. I believe this could have a negative impact over time for the general economy. The Stock Market is an American tradition and mainstay of the economy. Enacting laws that exclude a large part of the workforce from taking part in keeping the Stock Market healthy is a grave mistake, especially at this time in history when we are struggling to regain economic standing for the United States. Our country needs laws and incentives to make our traditions stronger, not weaker. Rewarding the common workers for their hard work and giving them the pride of ownership in the companies they work for is pivotal to strengthening the economy in the future.

Please talk to your Board members and let them know that the general workers will be financially damaged if this law is enacted. Top execs will continue to receive their stock options, but general employees will lose stock options and become disenfranchised from company ownership. I know the impact of this loss will erode the strength of our economy over time. Please think about the injury you will do to the mainstay of the technology workforce. You have chosen the wrong time in history to negatively impact the overall income of technology workers who are already struggling with the economic downturn in our industry. Please reconsider your proposed actions and show the American workforce they are important to an economic recovery by leaving the employee stock options alone. Thank you for your time.

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