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**From:** Christian Treille (ctreille) [ctreille@cisco.com]  
**Sent:** Thursday, June 10, 2004 11:02 AM  
**To:** Director - FASB  
**Cc:** savestockoptions(mailer list); Teri Treille (ttreille)  
**Subject:** Expensing of Stock Options

To whom it may concern,

I am a US citizen currently living in the United Kingdom and I have worked for Cisco Systems for the last 4 1/2 years and I am writing this e-mail to Urge the Financial Accounting Standards Board not to require Stock Options to be expensed at the unrealistically high valuation rate currently being proposed. I will move back to the United States sometime in the next 5 years and I rely on the long term investment, I have made in Cisco as a company and it has made in me, to help support and create opportunity for my family. Stock Options have allowed me to have a longer term view and relationship with Cisco as an employer and has encouraged me to be more aware of Cisco's position in the market, in society and with our customers; I am not simply an employee, I am a shareholder.

I fear the FASB proposal for expensing stock options will eliminate stock options as a driver for innovation, productivity and quality at companies such as Cisco. Stock options are not an expense, under current definition, as they do not use company assets; this should remain. In addition, today, as stock options are exercised they already dilute earnings per share, so the cost is accounted for. Furthermore, companies such as Cisco use stock options as a competitive advantage in the global market to attract talent in many countries. They help build a long term relationship between employer and employee, they empower the workforce (when the majority of employees participate in the stock option plan, as is the case with Cisco) and they motivate people to be more responsible within their corporate and greater communities, as they are shareholders. U.S. leadership in technology is essential in the 21st century and stock options have been a key factor in this so far, lets not forget this or underestimate it. Finding a model which will ensure this ongoingly is essential.

Thank you for your consideration on this extremely important issue,

**Christian Treille**  
**Sales Development Mgr**  
**Commercial Mid Market EMEA**  
**Direct +44 (0)208 824 0974**  
**Mobile +44 (0)781 887 2352**



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