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**From:** Damon Walters (dawalter) [dawalter@cisco.com]  
**Sent:** Friday, April 30, 2004 10:35 AM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Chairman Robert H. Herz,

I am writing to you to urge not to expense stock options.

As an Account Manager for Cisco Systems, this has been a huge benefit for my hard work as a Sales Rep. I started 6 years ago at Cisco and the options that Cisco has provided to me and my family of 6 has helped us out financially during lean times....particularly when the economy had stalled. I also use this as a form of savings, planning to use the vested options as college tuition savings for my 4 children.

It has also made me VERY proud of the company that I work for. I feel that by allowing me, a front line rep, to feel like I have ownership in this company has made me increasingly aware of bottom line of the company. This not only makes me a more frugal employee, but empowers me to make independent decisions based on expenses and the customers best interest. I also believe that being a shareholder makes me acutely aware of the responsibility that I have to my fellow shareholders and increases my focus at work to make this company function at its peak productivity level. In short, this is a motivating factor that increases my performance in all aspects of the business process.

I believe that U.S. companies need stock options to compete with other countries on a global basis. By degrading the current process, it will not only lower U.S. productivity in a time when the global economy needs a boost, but will also force option holders to deplete past grants just to balance their income in a fading and unstable US economy. I believe that Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. To get the best and brightest, motivated workers we must offer ways to incent "above and beyond" performance.

To require companies to mark options as an expense, in my opinion, is an exercise in poor accounting rules. Stock options do not meet the definition of an expense because they do not use company assets. The result would be a increasing expense load that would impact the economic rebound of an economy that needs a great boost for the American people. We are looking for some sign of firmness in a time that is very precarious. War, Corporate Greed and loss of funding for our children's education have brought us to a point that all we really have is our pride in workmanship. To take away the very fiber of our good work would hit the American worker HARD.

I AM a hardworking American that believes in this country and have been raised to believe in the American Dream. I have more than my parents had and can offer more to my family than they could. The future looks brighter and more affordable for my children, knowing that I can fund, at least some, of their college education and allow them the opportunity to become productive members of the work force. When they look to the job market, after spending \$12 - \$40 thousand per year on an education...will they have the opportunity to, with hard work, pay that debt off if they perform? or will they get caught in a "I get paid the same for any kind of work" mentality?

My hope is that companies will have the ability to utilize options as they do today and will hire and promote the best this country has to offer AND an incentive ..... Make the company that you work for the best, be dedicated to your role and own a piece of the promised American Dream.

Sincerely,

**Damon Walters**  
Major Account Manager



5/3/2004