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From: Sharon Freericks (sfreeric) [sfreeric@cisco.com]
Sent: Tuesday, April 20, 2004 2:57 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Subject: Please do not expense stock options

Hello Chairman Robert H. Herz,

My name is Sharon Freericks and I work at Cisco Systems Inc. in San Jose, California. I'm writing because I would like to share my opinion for not expensing stock options. The stock options granted to me by Cisco over the past eight years have been an important part of my professional and personal life. A significant portion of my annual income come from stock options (over 50%) and although I don't depend on stock options to pay monthly bills, they have allowed me to accumulate money for the down payment of a new home and to help pay for higher quality day care for my children. Without stock options, I would be living a lower standard of living. I would not be able to afford a nanny for my two and four year old and would have to struggle with the problems of dropping them off at day care, the increased health issues this poses for them and working a demanding job. With the help of stock options I've also been able to purchase a home in the best school district in my county.

Stock options are just as important for me financially as my monthly pay check and are a big influence on the decisions I make at work. As an example, I would rather work harder and longer and ask my co-workers to do the same to ship a new product early, or satisfy a specific customer request on labeling, packaging, or adding design features to a product they're buying from us. I know that happy customers mean more business and more business means (in most cases) higher stock prices, and higher stock prices keeps my kids out of day care where I can't control their nutrition and sanitation as well as I can at home. Without stock options I would not directly benefit if the company benefits and I would be less motivated to help satisfy a customer request or stronger sales if it means I have to work harder to do so. I don't think there is a single person in the company who feels differently; how could they?

I understand that Cisco could not afford the wide spread distribution of stock options if the company is forced to expense at the high valuation being proposed today. Please understand that Cisco has been able to accomplish what it has to date directly because of the wide spread distribution of stock options. Without them, employees would not be half as driven or as encouraged to do what no one as done before.

Thank you for your time.

Sharon Freericks