

Ikon

Letter of Comment No:1018
File Reference: 1102-100

From: Gail Potter (gpotter) [gpotter@cisco.com]
Sent: Tuesday, April 20, 2004 12:49 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I am writing to you as a concerned citizen regarding the newly released draft plan stating that the FASB intends to treat stock options as an expense.

If this plan were to be instated, Cisco would no longer be able to provide broad-based employee stock option programs like the one we currently have. One of the huge wins that the average employee has at Cisco is the ability to receive stock options each year. Many corporations restrict that to upper-level management. But at Cisco, it is a benefit for all employees.

It is these stock options that are allowing me to send my children to college. I have a son who is an International Business major at California Polytechnic University and a daughter who is a Political Science major at Santa Clara University. It is my dream to be able to provide an exceptional education for my children. This is something that my parents were not able to do for me. I could not afford this expense without the stock option plan at Cisco.

If you continue down the road of treating stock options as an expense, it is the average employee that will be hurt the most.

These stock options are allowing average employees to:

- Purchase their first home
- Fund their children's education
- Save for retirement (especially with the threat of losing Social Security)

It seems to me that US companies have been hit quite hard over the past several years. We are still in a long recovery mode and global competition is still escalating. US Companies need stock options to compete with other countries.

At a time when we need MORE jobs and stronger leadership and increased innovation, we cannot afford this hit to our US companies and their employees.

I employe you to STOP this plan. Do NOT treat stock options as an expense.

Thank you,
Gail Potter

4/20/2004