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Letter of Comment No: 132

File Reference: 1102-100

**From:** Mimi Jackson [mjacksonm@cisco.com]

**Sent:** Tuesday, April 20, 2004 1:24 PM

**To:** Director - FASB

**Subject:** Expensing Stock Options

Dear Director/Chairman Robert H. Herz,

File Reference No. 1102-100

I am writing this email in hopes that you will consider **not expensing stock options**.

I am a full time working mother and my husband is a police officer (who does not receive stock options in his line of work). We have 3 children. Our salaries alone are not enough to save for our children's college. Having my stock options is the only way we can ensure a college education for our children. I'm sure you understand the advantages of a college education. Children that go on to college have a higher success rate and are stronger contributors to our nation's well being.

Having stock options as a benefit provides me with a much stronger sense of ownership in the health of my company. It provides great incentive, is a strong motivator and ensures greater productivity from me as an employee and shareholder. In turn it benefits our customers who are getting the best our company has to offer. As an employee of Cisco Systems, my financial freedom and my children's education rely on providing our customers with the best products and services possible.

I have worked for companies in the past that do not offer stock options. I can tell you from personal experience the employees' level of commitment at these companies is not the same. In those companies you have a much softer level of commitment towards excellence from many employees. One reason that I came to Cisco was because I knew that I would be working for a company that rewarded performance, excellence and results. When I came to Cisco it was clear that I was working with other "performers" - people that had high expectations, strong work ethics and desire to take the company to the next level. This type of culture breeds hard work and excellence. We do not employ people who consider this just a "job". That mentality cannot exist here - it is not good for the company, the customers, the shareholders or the economy. The Cisco culture breeds energy and a workforce that is consistently looking for ways to "raise the bar". Even in light of the down economy the past couple of years, when many of us (most of us really) have stock options that are "underwater" - - meaning priced higher than the current stock price and currently not worth anything - - the motivation has not subsided. We all know that with perseverance, creativity and our continued commitment to customer satisfaction, that in time our results will benefit in a stronger stock price and aid in the economic recovery.

I fear without the benefit on the back end with stock options, that Cisco - along with other companies that historically have rewarded performance and results with stock options- - will evolve into companies employing people who just do the minimum to get a paycheck and have no greater motivation. Companies like these won't get our economy back on strong footing and will not continue to help the US be a global leader.

I ask for your assistance in ensuring that stock options are NOT expensed.

Thank you for your time.

Sincerely,

Mimi Jackson

Marketing Program Manager

Cisco Systems

4/20/2004