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From: Kimberly Morris-Cheeseman (kcheesem) [kcheesem@cisco.com]
Sent: Tuesday, April 20, 2004 12:47 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz:

I'm sending this email urging you NOT to expense stock options for the following reasons:

As an employee of Cisco's for nearly 8 years these options have been a major driving force in why I've chosen to stay in the technical industry and why I've strived to exceed my goals. When you are all working toward a common goal across a company there is a culture that is created that blends all personalities toward a common reality. That reality is that if you work hard, do what's right, do what's ethical and strive to always reach for the higher bar you will be rewarded. The reward of watching your stock go up on a daily basis means something to all concerned and is treated with respect. Everyone participating in the plan does the right thing, makes the right choices, spends the companies money as though it were their own. There is a great deal to be said about that. It drives good business practice in many ways. Good business practice and success drive positive culture for our entire nation, something this nation has been built upon and needs to continue to strive for.

In this nation we are asked to do so much more for less. To a point where there has to be some reward that allows you to keep going. To allow you to care vs give up. That reward to me and to the people I work with is the stock options. For many people there are NO pensions any longer, earning and maintaining your stock options is the way you get to the golden years and afford it. Half the fun of getting to those years is working hard to get there and be rewarded for doing so. People are driven by reward whether it be financial or otherwise. Positive re-enforcement drives innovation, creativity, achievement, willingness to go beyond, willingness to work a little harder. Without stock options to drive you to work for U.S. companies the attractiveness of others that do will take the greatest talent we have and place it directly into the hands of our competitors. We have lost so much in this country to foreigners. We cannot lose our technical edge. It is our competitive advantage. Allow us to keep what drives us and see the benefit of what it delivers. The outcome of such a change in policy will have far reaching affects, far beyond what anyone can imagine. No one ever could have expected what the long term impact of 9/11 would be. It's been many years and we still haven't recovered. Don't let this decision drive the unknown.

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