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From: Sherrie Dotson [shdotson@cisco.com]
Sent: Tuesday, April 20, 2004 12:09 PM
To: Director - FASB
Subject: Stock Options

Seventeen years ago I was a single mother who struggled to work, go to college and support a child. I've often worked without health care benefits and drawn salaries that allowed barely enough to live and no money for investment in savings or 401Ks. Even after completing college with pay scales improving my way of life, there still wasn't enough money for savings. Today, I work for Cisco Systems. I have for 4 years. I receive stock options. Enough stock options to make a major difference in my life for the very first time. In the last four years ALONE, I've managed to build a savings account, I have saved in my 401K and that 17 year old graduates in June and in September, he will go to college. This year's tuition, room and board, and books are all paid for - courtesy of stock options.

Stock options I have never received from another company in any amount to actually be of real value. Most of the companies for which I've worked never provided stock options to the rank and file at all. With Cisco, you have a company who has made an effort to include its employees in its success. Here you have real benefit to workers, not government promises, not finger pointing. Here you have a partnership between company and employees that work to the benefit of all. If you expense stock options, you destroy that. Why? Stock options are not a company expense, they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised. You will not succeed in establishing trust in the accounting practises. Trust has to come from people's belief in the moral's of leaders as demonstrated by their actions, not in laws with more creative loopholes for the immoral.

Stock options can change worker's lives. Without them, and if you expense stock options they will go away for the average worker, you foster the growing divide between the poor and the rich and further the decline of the middle-class. In addition, you run a very high risk of disrupting a fragile economy. I cannot fathom anyone's desire to do this. I'm asking you not to.

Regards,

Sherrie Dotson

These opinions are mine. They are not Cisco Systems.

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