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**Sent:** Wednesday, April 21, 2004 1:27 PM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com  
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**Letter of Comment No: 1198**  
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To Chairman Robert H. Herz:

I've been informed of a draft plan with intentions of expensing employee stock options and I want to voice my opinions against it. I would expect expensing employee stock options to bring an end to them, which would be a huge blow to corporate technology leaders like Cisco, Sun and others. Talented employees will leave to find other lines of work that compensate more, leading to the potential downfall of US technological leadership.

I'm not sure of the problem(s) that expensing stock options is meant to solve, but if it happens to be prevention of accounting abuses such as Enron, etc. then it's a drastic mistake that will not only NOT protect against similar accounting abuses in the future but CREATE the problems/concerns I mentioned above.

I don't think stock options are a perfect incentive tool, but for now they're the best thing available. Taking them away will be a step backwards without a good reason for doing it. If it is to be done there should at least be offered a viable alternative to provide incentive. And if it is to be done then much work/research should be done in their valuation. I believe the proposed plan values them too high.

For a more personal point of view, my fiance and I just used my employee stock options to buy our first home. Without them we would have had to try to save for at least a few more years. They're the reason I've stayed at Cisco for four years and still plan to work hard for Cisco.

I appreciate the chance to voice my opinions,  
Robert Brandt