

ikon

Letter of Comment No: 1487
File Reference: 1102-100

From: Guy Charest [gcharest@cisco.com]
Sent: Thursday, April 22, 2004 10:37 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz:

As a Cisco Systems employee of 6.5 years I would urge you not force Cisco to expense the stock options that are granted to its employees. The reasons for this are many, but the best ones that come to mind involve what stock options have meant to Cisco employees in terms of innovation, motivation, and personal enrichment. Simply put, the reason that Cisco has become a high tech power house, came in a large part from stock options. We work closely as a team and our productivity is so high, because we know that our collective efforts benefit each employee via increased stock valuation.

Expensing options at some artificially high level serves no purpose and only diminishes our competitiveness in the world market. Since dilution of earnings per share is accounted for when options are exercised, the cost does get recognized and at the appropriate time.

Last but not least, these options have enabled me personally to ensure my families financial future in a way that would never have been possible working for some average company as a 'wage slave' where my efforts would only benefit senior management. I just thank my lucky stars that I was fortunate enough to benefit from Cisco's wisdom and generosity in this area.
Regards,

Guy Charest
Service Account Manager
Cisco Systems, Inc.
7301 N. State Hwy 161
Irving, Texas 75039
Voice: 469.420.4877 Fax: 469.420.4799
Mobile: 972.839.5050
Email: gcharest@cisco.com
Pager: 800.365.4578

Visit the TAC Web Site for quick access to technical support!
<http://www.cisco.com/tac>
Use the new TAC Advanced Search to find information fast!
<http://www.cisco.com/tac/advancedsearch>
Open a TAC service request on the web for faster response!
<http://www.cisco.com/tac/caseopen>

4/22/2004