

ikon

Letter of Comment No: 1579
File Reference: 1102-100

From: Cecilia Teasley [cteamley@cisco.com]
Sent: Friday, April 23, 2004 2:20 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Importance: High

Chairman Robert H. Herz:

I am a Cisco Systems, Inc. employee and have been since 1995. I feel I must write you to express my concern for your plan to expense stock options.

I'm not an accounting expert, but I do know that the artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity for many years. As I understand it stock options do not meet the definition of an expense because they do not use company assets. I'm also worried about being able to compete with other countries who can use stock options like China. They are not required to treat them as an expense and will benefit when our US jobs must be outsourced overseas due to this action. I believe that this step could have a very negative impact on our ability to create new jobs in the high tech industry and therefore adversely affect America's economy. I know it will have a dramatic affect on how much I can assist my family.

For me, receiving stock options has been a blessing. In addition to the added motivation of being a shareholder of the company I know I work harder, smarter, and am more frugal in doing so. And since I'm also part of what you would call the sandwiched generation, not having stock options to rely on in the future will really put me at a disadvantage. I have two children one which I was able to send to college using my options and one I am in the process of sending to college. I also have aging parents to support and assist. (I pay the majority of my parents doctor bills, heating bills, medicine and when emergencies arise). They currently live on a total of \$1,200.00 Social Security per month. It's not enough. Without the aid of my Cisco Stock options, I would not be able to help my parents at all. Which would be tragic not only for me and them, but they will need to turn to government assistance just to get by.

I urge you to please reconsider the plan. I can't see a positive side to this action. Thank you for listening to my concerns and taking them into consideration before a decision is made on this issue.

Regards,

Cecilia

Cecilia Teasley (cteamley@cisco.com)
Cisco Systems - RTP, NC 27709
WW Sales HR Representative
(919) 392-2515 - Office
(919) 392-2961 - Confidential RTP-HR Fax
Page me @ 1-800-365-4570