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From: Randy Clark [raclark@cisco.com]
Sent: Thursday, April 22, 2004 1:17 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Chairman Robert H. Herz:

I am a U.S. based Cisco employee, concerned with FASB plans to expense stock options at a high valuation. The FASB's requirement for artificially high stock option valuations will do away with stock options as an instrument to drive innovation and productivity.

I consider stock options THE most important incentive to my performance at Cisco. The stock option program instills sense of ownership unlike any I've felt working for other companies that do not have stock option programs. My experience with past employers was that there was a clear separation of accountability between employees and management/stockholders. This is not the case when everyone owns a piece of the company.

It is quite evident that nearly everyone I work with at Cisco has a sense of common responsibility due to the stock option program. The pride is palpable when the stock is on the rise and resolve to recover more so when the stock is declining. When I visit my customer I do so as a part owner of the company who has a vested interest in the success of the customer relationship, not merely as someone on Cisco's payroll.

In the past I used my stock options to purchase a house for my wife and children. I am now using my stock option income to fund my children's college education – an expensive proposition in this economy! The remainder will help fund my retirement.

As a shareholder of Cisco Systems I am concerned first and foremost with the success and well-being of the company. As an employee shareholder of the company I feel that I am in a unique position to effect a positive change on Cisco's performance. Employee stock options create a sense of accountability to the company that cannot be generated by salary or bonus programs.

Please don't destroy the tool responsible for so much innovation and productivity that benefits the workforce. Your focus should be on controlling the actions of the unscrupulous few who have taken advantage of the tool to the detriment of the honest employees.

Best Regards, Randy Clark

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