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Letter of Comment No: 4224
File Reference: 1102-100

From: evmiller [evmiller@cisco.com]
Sent: Thursday, June 10, 2004 1:16 AM
To: Director - FASB
Cc: savestockoptions@cisco.com; evmiller@cisco.com
Subject: File Reference No. 1102-100 (Expensing Stock Options - I Vote No!)

Dear Chairman Robert H. Herz:

I am writing to you to express my views and concerns regarding expensing stock options.

I am a Cisco Systems, Inc. employee. I have been an employee of Cisco Systems since March 1995. So, I have certainly been a lucky beneficiary of the stock option program at Cisco Systems. However, I am not writing to you about me only. Yes, I am writing about the effect that this particular stock option program has had on me and my unswerving commitment to Cisco's success. I am writing to you, also, to plead with you not to recommend any plans or programs or legislation that would deter employee-friendly companies like Cisco Systems from distributing meaningful amounts of stock options to its employees. Here is why:

/* Stock Options that are likely to have meaningful future value are a tremendous motivator
for employee job
performance/contribution/satisfaction. *//*
*/

Stock Options and, in turn, my determination to 'make a difference' are one of the reasons why I work 50 to 60 hours per week at Cisco, and why I am still in my cube as I write this email (10:10pm US/PT). I would not be surprised to learn that public companies having broad-based employee stock option plans (where the stock is distributed in meaningful amounts and having a reasonable likelihood/history of realizing significant gain) result in a higher performing company workforce.

Please do not do or recommend anything that would diminish the impact of this employee motivator and productivity energizer. I understand the need for complete and honest financial disclosure. However, a way must be found where this is achieved fairly and openly but not by discouraging companies like Cisco Systems from using this great motivational tool. Simply put, it is a great thing. I wish every hard-working American could experience the thrill of this type of working experience. I wish every stockholder could experience the benefit of owning companies like Cisco Systems that reward employee productivity through broadly distributed stock options (and, ultimately, rewarding all shareholders).

Best regards,