

Stacey Sutay

From: Chris Woodfin [chwoodfi@cisco.com]
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To: Director - FASB
Cc: savestockoptions@cisco.com
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Chairman Robert H. Herz,

As an individual contributor at Cisco Systems, I would like to urge the FASB to reconsider your "draft" position on expensing of stock options. I am not alone in saying that the receipt of stock options is a major motivating factor among the US employee base here at Cisco. Besides making us a "vested" part of the future successes at Cisco, these stock options also are primarily focused at the "masses" rather than the "executive branch" within Cisco. What a tragedy it would be for a new position, to be reached as it relates to treating stock options, largely based on false assumptions that they only benefit corporate executives.

Besides serving as a motivating factor for US-based employees, it is also important to note that in our global economy, not all countries agree with your draft position in treating stock options as expenses. With the preservation of US jobs being an important element in our current economy, it would seem your position on stock options would simply run contrary to its perceived goals. As foreign competitors freely distribute stock options without further penalties, we run the risk of losing ground and not being on "equal footing" as it relates to talent pool recruitment as well as financial reporting.

Lastly, as I understand it, stock options are truly not directly associated with a company's assets. While many may differ in their definition of an "expense", I would think correlation to a company's assets would be a crucial element in that formula. Additionally, it would seem the "expensing" of options is already captured in the EPS calculation upon exercising of those options.

Please I urge you do not cripple Cisco's ability to make her US-based employees motivated, creative, and productive. We can't afford that, particularly at this point in our nation's economy.

Thanks for taking the time to read one employee's plea among the many,

Chris

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