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From: Chuck Schoch [cschoch@cisco.com]
Sent: Tuesday, April 27, 2004 8:20 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz

Sir, I would like to respectfully offer my voice of opposition to the treating of Stock Options as an expense, especially at the high valuation proposed in the FASB draft plan.

It seems unconscionable the FASB would propose a plan that would further incapacitate the US Technology companies which have struggled to survive the last three years in a decimated market. During these difficult times, many of us have willingly accepted the cost reduction efforts, which included halting of merit increases and promotions, implemented to insure our companies survival. Many of us are still working for the same salary we were making three years ago. The average person would not be able to sustain the pace required to insure a Technology company remains profitable in a market downturn, 60 - 80 hour work weeks are not uncommon. Stock Options and the feeling of being part of something bigger than yourself, is what motivates us to continue at the breakneck pace we operate. Take stock options away from us and we are nothing more than employees whose salaries have not even kept pace with the rate of inflation for the last three years, not very motivating.

As a way of letting you know who is going to hurt the most by this proposed plan, allow me to tell you a little about myself. I grew up on the wrong side of the poverty line with my five brothers and sisters in the coal mining regions of Pennsylvania. Three meals a day was reason to celebrate, college was just a dream. I got out of high school on June 5th, 1981 and on June 6th, 1981 I was in USAF Basic Training at Lackland AFB, Tx. I gave this great country of ours 11 years of my life, I served during Operation Desert Storm 1991 and separated in 1992. From there I worked at the White House as part of the White House Communications Agency for two years. Six years ago, I came to work at Cisco Systems as a Systems Engineer. Until then, I never dreamed of ever being part of something so big and wonderful. Cisco judges and promotes their people based on their abilities and performance, not their race, or sex, or their religion preferences, they allow you to control your own destiny.

I am not a millionaire because of stock options. I don't live in a mansion and vacation on the French Riviera, I am a high school graduate that thinks about how those stock options may one day provide my two daughters with something I didn't have, the chance to go to college. I am a middle aged man that thinks about how those stock options may provide a means of support when Social Security dries up just as I am reaching retirement age. I am the son of two incredible, but aging, parents with heart disease that thinks about how those stock options may one day be needed to provide a means to care for my parents should they become infirm or unable to care for themselves. I am the brother of a sister who died in a motorcycle accident three years ago that used some of those stock options to help her sons bury her.

I sincerely believe the proposed plan is going to cripple US Technology companies competing in a global market. Stock options allow companies like Cisco to attract and retain talented employees, allowing Cisco to effectively compete in both US and foreign markets. I also believe in the aftermath of Enron, Tyco and MCI, stockholders and the Federal Government went on a witch focusing on stock options in the belief that all employees receiving stock options were becoming millionaires at stockholders expense. All technology companies in the US were guilty by association through Enron

Tyco and MCI. I would encourage the FASB to instead focus on the good that comes from stock options issued by legitimate, honest companies such as Cisco. How many more companies would have been decimated and what would be the state of the Technology sector had stock options not been used to sustain employee motivation and dedication these last three long years.

Sincerely

Charles W. Schoch