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From: Richard R. Berlint [rberlint@cisco.com]
Sent: Monday, June 14, 2004 12:14 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I'm writing you to express my concern over expensing stock options for all employees. Especially at such an unrealistically high valuation.

From my personal experience, I believe the FASB valuation is unrealistically high: in my thirty-eight year career I have not actually financially benefited from stock options (and the companies I worked for never incurred any expense) due to various unanticipated problems.

However, even with my experience, having a sense of ownership in the company I work for has always been and will continue to be an important part of my job satisfaction and motivation.

Here at Cisco I am quite sure that I will successfully exercise some of my stock options (many of them are "under water" and will probably remain so for a long time -- another reason I believe the FASB evaluation is wrong). I can tell you that the extra income from the options will make an important contribution to my future retirement and that continues to encourage me to do my very best for Cisco and its customers and shareholders.

I think the knee jerk reaction to expense all stock options is overkill. Expensing top executive's stock options might help curb some of the abuses we've seen lately. However, penalizing a company like Cisco who is enabling every employee to be an owner just doesn't make sense.

Thank you for your attention,

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