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Letter of Comment No: 114-0  
File Reference: 1102-100

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**From:** Jennifer Casarotti Troch [jtroch@cisco.com]  
**Sent:** Wednesday, April 21, 2004 11:27 AM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100; ATTN: Chairman Robert H. Herz

Dear Chairman Herz,

I am writing to express my concern over the Financial Accounting Standards Board's draft plan that suggests stock options be treated as an expense. I am asking that the Board reconsider its stand in light of the tremendous negative impact on so many in the U.S. workforce. Given concerns with global competition, particularly in terms of labor costs, productivity, and work ethic, I would expect the Board to view stock options as an integral catalyst for strengthening the U.S. workforce, and thus its position in the worldwide marketplace. Certainly, the business and economic acumen on the Board must recognize that the artificially high valuation FASB will require for a stock option will eliminate this benefit that currently drives innovation and productivity. I would also pose the rhetorical question of whether or not the Board intends to change the definition of ALL expenses. Stock options DO NOT meet the definition of an expense because they do not use company assets, so I am skeptical of the logic behind the decision. Finally, the expense would appear to be double-counted, since the true cost of a stock option is dilution of earnings per share (EPS), which is already accounted for when options are exercised.

As an employee of Cisco for three years, I was not around during the boom years of stock options that created nearly "instant" wealth. Still, I am incredibly motivated by the benefit of receiving these options, not only for the potential they offer, but also because their value is directly impacted by the contribution I make toward the company's success. I view these as a mutual investment -- between Cisco and me -- and a recognition of my efforts to drive success for Cisco, and our industry as a whole. This benefit will, ideally, make it easier for my children to go to college and experience the world in ways that ultimately benefit the U.S. workplace, economy, and standard of living in later years. One of the main motivators for my own continuing education, growth, and professional commitment is to work for the best-of-the-best where I receive the benefit of stock options such as those provided by Cisco.

I rarely write to agree or disagree with political- or government-related concerns, but I feel very strongly about this and hope you will consider my input, as well as the input of others certain to feel the same.

Kind regards,  
**Jennifer Casarotti Troch**  
Communications Specialist  
IT Learning & Communications, part of the IT-Global Shared Services Organization

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