

ikon

Letter of Comment No: 336
File Reference: 1102-100

From: Don Lobete (dlobete) [dlobete@cisco.com]
Sent: Tuesday, April 20, 2004 4:06 PM
To: Director - FASB
Subject: File Reference No. 1102-100 - NO on stock option expensing

File Reference No. 1102-100
Chairman Robert H. Herz

Dear Sir,

I am writing to you to encourage you not to go forward with the broad-based stock-option expensing plan. I have worked at Cisco for 10 years now and have greatly benefitted from the ownership (via stock options) of this great company. Cisco is the fairest place that I have ever worked at in rewarding those who go the extra mile in their everyday jobs. The main instrument Cisco uses to do this is stock options. Employees with a stake in their company are truly transformed from being paid workers punching the clock to co-owners. Product quality and customer satisfaction become much more important to such employees and these factors undoubtedly improve. And as each company Cisco deals with (customers and suppliers) also provides ownership to their employees, this positive cycle of employee involvement is continued resulting in a synergetic business/economic environment locally, nationally and worldwide.

Speaking personally, if the stock-option plans of Cisco are threatened by expensing rules I fear employee motivation will be severely impacted and Cisco's (and all other elite technology companies) performance in the world arena will greatly suffer. I think the USA should stand strong in the quickly-expanding and highly-competitive worldwide business arenas today. We cannot afford to become de-motivated at the employee-level in this way and lose the edge.

So once again, please reconsider your stance on broad-based stock option expensing.

Sincerely,
Don Lobete
Technical Leader
Cisco Systems.