

Stacey Sutay

From: Paul Lawyer [plawyer@cisco.com]
Sent: Tuesday, April 20, 2004 12:22 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Chairman Robert Herz,

I am writing to voice my opposition to the proposed FASB changes that would require companies to expense stock options. Having worked in the technology industry for 14 years, I've seen the tremendous impact of how employee ownership has created a culture of ingenuity and drive unmatched in any other American industry. It is stock options that compels people in our industry to work 70, 80 or 100 hour weeks. Stock options drive the technology sector that produces new products that enable American companies to produce their wares more efficiently, returning great profitability to their shareholders. And it is stock options that narrow the vast chasm between the common worker and corporate executives seen in other industries.

Having lived in the objective, results-driven sales world, I understand the causal connection between effort and income. I have the benefit of impacting my income through my every day efforts. For the vast majority of people, this is not the case. Stock options are the only mechanism employees have in significantly affecting their annual compensation.

You can make this an optional recommendation, but do not make it a mandate. If some businesses choose to expense stock options, that is their choice. It would be a disastrous result for the entire technology industry if these changes were to go through. Do not stifle innovation. Do not render the technology sector into another archaic, slow-moving rust belt industry. This move would result in less productivity, less innovation, less personal and corporate income taxes, higher turnover and higher business costs.

Thank you,
Paul Lawyer

Paul Lawyer
Major Account Manager
Cisco Systems, Inc.

Office: (425) 468-1035
Cell: (425) 985-6506
Fax: (425) 468-0899