

**From:** Jim Overholt [overholt@cisco.com]  
**Sent:** Wednesday, June 02, 2004 1:42 PM  
**To:** Director - FASB  
**Subject:** FAS123 - Expensing of Stock Optionsm

hi,

i've worked for Cisco since just after they went public. when i started i was offered 200 shares of Cisco options. i started in manufacturing as a tech and i saw first hand how everybody cared about their jobs, even the people putting screws in the chassis, who were offered 100 shares, cared about the quality of their work and the success of the company. because they owned a part of Cisco, however small it may be.

i have no doubt that this contributed to the success of cisco.

after a few years Cisco decided to give stock options every year based on performance of the company and the individual. again i have no doubt that this decision contributed to the success of the company and in turn the success of it's employees. many of us now own part of the house we live in, as we continue to work, pay our mortgages, and contribute to the overall success of the economy as a whole.

we are not talking about 100,000 options or more like the top C\_O's get. that is a completely different concern. we are talking about 100 to 1000 shares that vest over 4 or 5 years. it takes time and a lot of hard work before we realize the benefits -- if any.

if you rule for expensing options we the little people, the grunts, the peons will be hurt. the companies we work for will be hurt. our economy as a whole will be hurt as other countries don't need to follow your rules.

again....

1. we the little people benefit from companies like Cisco who offer options. 2. the local economies benefit from companies like Cisco who offer options. 3. our nation and it's economy benefit from companies who offer options.

and i cannot stress this point enough....

i have no doubt that the fact that everybody, even the people with the jobs that require little to no experience, care about thier work because they own a part of their company - i have no doubt that this contributed to the success of cisco.

thanks for listining to a grunt who was able to realize the american dream by working hard at a really cool company!!

jim