

ikon

From: Kim Nichols (kimnicho) [kimnicho@cisco.com]
Sent: Thursday, June 17, 2004 2:31 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 5213
File Reference: 1102-100



InterScan_SafeSta
mp.txt (296 B...

Chairman Robert H. Herz,

I have been an employee at Cisco Systems, INC. for 4 years. Throughout the last few years, with the economic downturn, the stock options that Cisco granted me kept me at this company as there were no opportunities for salary increases or promotions. Stock options have helped me purchase my home. They have kept me focused on my job and my ability to increase the companies sales and thus the Net Income. Every day I look to see where the stock price is at and knowing that I have some ownership and will have more stocks granted to me over time, I push myself a bit further to close the sale as well as make sure our customers and partners are satisfied and see the quality that we offer.

You want to punish upper level management, cut into their bonuses and income, but who ends up with the most pain is the everyday employee. When the government decided to tax bonuses and commissions at a higher rate, they were targeting the VPs and CxOs that make millions, but who did it really impact...me! I earn a \$10,000 commission, and I get a check for \$4,890.

The stock options are the same thing. You are targeting individuals that may be able to afford the change, but the ones that lose are like me. It affects my retirement and college education for my children. I ask that you look beyond your targets and truly investigate who will be impacted negatively, immediately and long-term. You will not stop CxOs and VPs from getting their stock options. They will continue to receive them and the regular employee will stop getting them and will never have a say in the company. You put more distance between the employee and upper level management.

I would like to know what the government will gain that makes a change like this more important than the American taxpayer. The government has always made very shortsighted decisions for immediate gains without truly measuring the impact on US companies, their employees, and the economy. I ask that you reconsider the mandatory expensing of stock options and instead try to tighten up the rules of corporate reporting.

Thank you for your consideration.

Kimberly Nichols
Cisco Systems, Inc.
Channel SE
2355 Gold Meadow Way, Suite 150
Gold River, CA 95670
v-mail: (916) 861-2053
pager: (800) 365-4578
mobile: (916) 801-6801