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**Letter of Comment No: 694**  
**File Reference: 1102-100**

**From:** Ben Bennett [bbennett@cisco.com]  
**Sent:** Tuesday, April 20, 2004 5:05 PM  
**To:** Director - FASB  
**Subject:** File Reference No 1102-100 Attn: Chairman Robert H. Herz

Dear Chairman Herz,

Please consider this as a personal plea...

Last month when the Financial Accounting Standards Board (FASB) released a draft plan stating that they intend to treat stock options as an expense, it's effect was to totally dash the hopes and dreams of many of us at Cisco and elsewhere in our nation.

I came to Cisco, after a successful 30 year career...drawn to a place where I could finally work for a company that really re-warded it's employees on their performance and contribution, largely based on the Companys performance in the world marketplace. This has been my motivation to work like a dog for seven years. With the turn of events in the world, a large majority of my stocks are now 'underwater', but I still have hope and dreams to achieve before I 'retire'.

If Cisco and other company like them have to expense stock options, at an unrealistically high valuation it will destroy the fiber of the company's. We have collected some of the best people in the country, with the thought that if we work hard and work together we can help the world to be a better place to live through communication, while helping the company grow...and yes make our own life better. Many of the stock options that I have received for this effort (years of 6-7 day work weeks of 12+ hours a day) would have been expensed at > \$50 a share under the proposed plan....and they are now worth \$0.00.

Each share that I get, will be fully taxed as regular income when I exercise them, it is hard to understand how they can be considered an expense to the company at the time of issue...when they may end up being worth nothing? Money is not my sole motivator, it is a wonderful experience to work for a company that is helping shape the future of the world, however employee stock options, provide folks like me the incentive to work, and work hard....along side some of the brightest folks in the industry.

Stock options are not really an expense, because they do not use or deplete company assets.

I understand that if the FASB draft plan is put in place, most if not all company's will have to eliminate employee stock options to all but Senior Executives.

This will have some of the following effects on the US and its economy

- Reducing employee innovation and productivity in the US
- The US place in global economy will be impacted, as we attempt to compete with the likes of China (where stock options are not treated as an expense)
- Dramatic impact on American high tech leadership, innovation and job creation.

Please consider seriously what your plan will do, to individuals like me, Companys like Cisco, and America. Under the current plan, the stock holders are protected, the country gets it's share when I exercise the stock and pay 33% of every dollar I 'make' in taxes, and I am protected as I still have my dream that hopefully rewards me.

Thank you for your time and consideration

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