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Letter of Comment No: 684
File Reference: 1102-100

From: Marilyn Nagel (mnagel) [mnagel@cisco.com]
Sent: Tuesday, April 20, 2004 4:55 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Stock Options Issue file reference no. 1102-100

Employee ownership has been a part of the Cisco culture and was a strong reason for my joining this company. I left a great job with a successful company and moved my family to San Jose because I believed that my work for Cisco would include stock options as a reward for my work. As a leader and from my perspective as an employee I strongly urge you to not expense stock options. All employees at Cisco work as though they own the company. This work ethic is in part based on the fact that when Cisco is successful we all benefit.

Stock options are a part of the motivation of my team, they help balance the cost of living in the expensive bay area and are a large part of my and many of my colleagues' retirement plan. If Cisco must expense stock options and at an unrealistically high valuation it will have many negative consequences. Our ability to retain and/or attract talent will be compromised, or position in the global market damaged and our leadership as a US based innovative company will diminish.

Marilyn Nagel
Director IT Learning and Communications
Cisco Systems Inc.