

ikon

Letter of Comment No: 1495
File Reference: 1102-100

From: Cheryl Edwards [cdedward@cisco.com]
Sent: Thursday, April 22, 2004 10:59 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I urge you not to cause stock options to be treated as an expense, especially at an unrealistically high valuation. I am an employee of Cisco System. Cisco successfully uses broad based stock options for all employees to encourage employee ownership of Cisco. I have previously worked at IBM and Ericsson, but Cisco is the only company I have worked for that offered me stock options and I can tell you it has changed my perspective entirely about work. I am more motivated and personally invested in Cisco's success than any other company I have ever worked for. On a broader scale, I am concerned that if stock options are treated as an expense that it will kill the high tech industry in the USA. High tech jobs are already moving out of the country to places like India and China. I fear if stock options are treated as an expense, that the movement of high tech jobs to outside of the USA will accelerate vastly. There are almost no successful high tech companies in the USA which did not start out using broad based stock options to motivate innovation and productivity. Please do not hamper US business like Cisco (which use broad based stock options) from competing on a global basis (especially considering that other countries we are competing with like China do not treat stock options as expense).

Thank you for your time and consideration,

Cheryl Edwards

Regards,

Cheryl Edwards
Popeye Programmer
Cisco - RTP, NC USA
1-919-392-9521