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**From:** Jim Kotelly [jkotelly@cisco.com]  
**Sent:** Tuesday, April 20, 2004 9:18 AM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com; jkotelly@cisco.com  
**Subject:** Do not expense stock options

Jim Kotelly  
19 Hadley Road  
Pepperell, MA 01463

Financial Accounting Standards Board  
Attn: Chairman Robert H. Herz

Dear Chairman Herz,

I am writing to ask you to reconsider the current plan to make U.S. corporations treat stock options as an expense.

As a Cisco employee for the past 5 years, I have accumulated a fair number of Cisco stock options, as Cisco hands out new options each year. Although in the current market environment these options are not worth a great deal, my hope is that in the future I will be able to use these options to create greater financial stability for my family. I work alongside employees who have been with the company for a longer period of time and have used the proceeds from stock options to purchase a home, pay for a child's education, or put away money for the future.

I believe that receiving stock options creates a sense of ownership in the company you work for. I want to do better at my job so that the company can grow and hopefully the share price will increase. I believe it is also an excellent employee retention tool. I've worked hard over the past 5 years and would not want to walk away from the options I have accumulated.

I feel that the current push to expense options is a result of the scandals which occurred over the past couple of years from a few corrupt executives. These high profile scandals have given the impression that stock options are somehow synonymous with highly paid corrupt executives. Every U.S. full-time Cisco employee receives options, at every level. Therefore, this is not just a case where the highest levels of management are being affected by this proposal.

Please reconsider the current plan to treat stock options as an expense. Ultimately it will be the average U.S. worker who is affected most by this proposal.

Sincerely,  
Jim Kotelly