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Letter of Comment No: 1834
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From: Noreen McCaffrey [vze34rd4@verizon.net]
Sent: Sunday, April 25, 2004 10:34 PM
To: Director - FASB
Cc: savestockoptions@cisco.com; kmccaffr@cisco.com
Subject: Stock Options

Dear Mr. Herz:

I understand that your organization is considering treating stock options as an expense. I urge you to reconsider. I believe that would be a short sighted move.

My husband is the sole income provider for our family. He loves his job; he loves his company. I believe in him and his job because he feels so strongly about how the company treats its employees. One of the most attractive features of his compensation plan is the stock options that he could be awarded. He works extremely hard and feels a sense of pride when he is awarded stock options. If this feature is eliminated (which is basically what happens when stock options are treated as an expense), I believe employee satisfaction at Cisco Systems (where my husband works) and many other organizations will suffer. Our country needs a strong economy...hence happy workers – workers that would then put their earnings back into our economy.

Our family is currently planning an addition to our home. We had planned on cashing in some of our options to help pay for this work. We had assumed that additional options would be awarded in the future. It would be very disheartening if the change you are considering were to pass. Once again, I ask that you reconsider. As a country we need to consider every move we make. We need to maximize employee satisfaction while maintaining our country's leadership role. Other strong industrial countries do not treat stock options as an expense, why should we? What would we as a country really gain?

Noreen McCaffrey
noreen.mc@verizon.net

4/26/2004