

Stacey Sutay

Letter of Comment No: 199
File Reference: 1102-100

From: Kevin Aspell [kaspell@cisco.com]
Sent: Monday, April 19, 2004 5:39 PM
To: Director - FASB
Cc: savestockoptions@cisco.com; kaspell@cisco.com
Subject: Stock Option Expensing

Chairman Robert H. Herz

Dear Mr. Herz,

I know that FASB has recently proposed a draft that would make it a requirement for companies to expense stock options. Clearly, many in our country reacted to the situations we all heard about at companies like Enron and MCI. However, I suspect that if the FASB ruling was in place then, these companies would have still found a way not to expense the millions in inappropriately paid options that went to a few executives. I work for Cisco Systems. I and my fellow employees work hard each day to insure the Internet and technology in general has a huge positive impact on the way we in America live, work, learn, and play. My options are a very important part of my compensation plan. They are important because they provide huge motivation for me to work hard, take care of my customers, and make every decision based on Company Principles like "Trust, Integrity, Giving Back, Teamwork, Fun, Empowerment, Open Communications, and others". There are important to me because it is what i will use to send my children to college. They will get great educations, great jobs, and contribute to our economy in a few years. Options are important to me because it allows me to reward for exceptional performance with my team. Ownership in a company is a huge motivator and people will react to the opportunity that options provide. I also think options are important to me because it allows Cisco to keep jobs and not to outsource. Technical tasks can be done in other parts of the world for dramatically less money than what it takes to pay our employees here in the US. Stock Options are a big reason why our technical resources are loyal to Cisco and why we can use options as a compensation tool and not have to go off shore because compensation expense is too high domestically. I could go on for a long time. Our country will only be hurt if we force companies to expense stock options. I pride myself on my small "ownership" of Cisco. You will be foolish to force my company to stop it.

Sincerely

Kevin P. Aspell
7 Laurie Court
Scotch Plains NJ 07076