

Len Tatore

From: Joseph Bailey (jobailey) [jobailey@cisco.com]
Sent: Wednesday, April 21, 2004 9:32 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz;

I understand that you are considering treating stock options as an expense. I believe this is a HUGE mistake.

If broad based stock options are expensed companies like Cisco will probably reduce or eliminate them altogether. I've been working for Cisco for almost 5 years, and feel like I'm a company owner, because of the stock options. I equate this to the same seminary as owning a home vs. renting a home. If you own your home you are more aware of what is going on with everything around you and how you are taking care of the problem areas before there is a major problem. If you are renting that care is MUCH LESS. You are only interested in paying the rent. I take great interest in all aspects of Cisco to make sure it is growing, and how people are treated.

I also think from an economic stand point expensing option will drive companies to out source and move jobs over seas. There have been several economic leaders that are warning that expensing options are a very bad idea from a long term stand point. I understand that there are several states in financial trouble along with the country, but expensing stock options will put this country at a disadvantage that it will not recover from.

To conclude, please vote to NOT expense stock options.

Best regards,
Joe Bailey

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