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**Letter of Comment No: 4239**  
**File Reference: 1102-100**

**From:** Tim Grace [tgrace@cisco.com]  
**Sent:** Friday, June 11, 2004 2:20 PM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com; tgrace@cisco.com  
**Subject:** File Reference No. 1102-100

Dear Chairman Robert H. Herz,

It is my opinion that expensing stock options will decrease productivity of American companies. I have several friends who work for companies which provide them stock options as a benefit and other friends who work for companies that do not provide stock options. When we get together we often talk about the benefits of company ownership and its' rewards. It is very evident that the individuals who have ownership in a company care more about the outcome of their work and put in the necessary time to ensure projects get completed on time and with the utmost care given to quality. My friends who work for companies who do not provide stock options and therefore do not feel "ownership" in a company inform me that they just do whatever is necessary to complete the task and nothing else. They are not motivated to put in extra hours as they don't see any benefits in the long run. Their only motivation is to keep their job and nothing else.

It is for this reason that I feel stock options should not be expensed.

Sincerely,

Timothy Grace  
Cisco Systems, Inc.  
HR Program Manager