Len Tatore

Spiros Tsitsonis [spiros@cisco.com] From: Sent:

Thursday, April 22, 2004 5:22 PM

To: Subject: Director - FASB

File Reference No. 1102-100... c/o Chairman Robert H. H...

Letter of Comment No: 1446 File Reference: 1102-100

Dear Mr. Herz,

I have been a Cisco Systems employee for over 5 years and during this time I must say that it has ben the best company to work in. I have been involved in the high-tech industry for over 15 years and my biggest drive and motivation has been the way Cisco treats and rewards its people. A key contributor to such has been the Stock Options incentive program, where employees are made to feel they own a piece of the company they are working for.

I can not begin to put in words how much more motivated I have been working for Cisco compared to other companies I have worked through the years that did not offer such stock option programs. It pushes me to do my best and be the most productive and efficient in my day to day activities. Not getting such motivation reduces employees to go to work their 40 hours to earn a paycheck and nothing more. Without taking advantage of the stock option plan and the success the collective work force has done for Cisco to raise the value of the company, I would not have been able to afford a single family home for my wife, children and myself.

I must admit I am very concerned about the recent developments by FASB driving the expensing of stock options. The artificially high valuation for stock options as required by FASB will most likely force companies like Cisco to eliminate stock options towards their employees, making it harder to compete in what is becoming a global economy, where outsourcing of U.S. jobs and technology to countries like China with no restrictions on expensing stock options makes it hard to compete. Additionally, the rationale for needing to expense stock options does not make a lot of common sense, as they are not company assets.

I strongly recommend your organization not to push for expensing stock options as it would have a profound impact on America's corporate work force.

Best Regards, Spiros Tsitsonis

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