

Len Tatore

From: Ray Irani (rirani) [rirani@cisco.com]
Sent: Friday, April 23, 2004 3:33 AM
To: Director - FASB
Cc: rirani@cisco.com
Subject: PLEA NOT TO EXPENSE STOCK OPTIONS

Letter of Comment No: 1577
File Reference: 1102-100

Dear Chairman Robert H. Herz,

REF: File Reference No. 1102-100

I am currently an employee with Cisco Systems working as an Internetworking Engineer for over eight years now, and till this day i feel very motivated and enthusiastic about my job ever since i came to work for Cisco Systems right after University. I come to work everyday and give my full 110% even though we have been facing very hard economical times and downturns in the technology industry, but my spirits and hope to see my corporation and industry recover has never been dampened. The main reason for such loyalty and the feeling of ownership for the corporation is because i was given company stock option which gives us ownership of the corporation. I'm a strong believer in the US High Technology industry and for us to be globally competitive, we need to retain our top engineers to continue being innovative and build new technology and products. I am a very successful and happy family-man living in the San Francisco Bay Area, like many other engineers, and i plan on being here for a long time and watch my family grow, and give Cisco Systems back in return what it has provided me for all these years. I believe good employees are an integral part of a corporation's success and providing them stock options only tightens that bond. Please don't make the mistake of expensing employee stock options which will in turn make it impossible for corporations to offer the employee stock options. This will have an adverse effect on the morale of the US work-force and in turn slow down the innovation and growth of our industries and deny university students with the same motivation i had eight years ago to work with a great corporation like Cisco Systems.

Sincerely,

Ray Irani
Internetworking Engineer,
Cisco Systems, Inc.

4/23/2004