ikon

Letter of Comment No: 498
File Reference: 1102-100

From: Bill Coale [bcoale@cisco.com]
Sent: Thursday, June 10, 2004 4:50 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100, attn: Chairman Robert H. Herz

Dear Mr Herz

I am a 60+ year old engineer employed by Cisco Systems for the last 5+ years. My wife & I have been shouldered with the responsibility of raising our grandchildren and this has created a mountain of expense for us, both in money and lost income because my wife has taken early retirement so that she may stay home with our grandchildren.

When I went to work for Cisco Systems as an engineer I had a very modest 401K & little else to show for almost 40 years of employment. Most of the stock I had either bought or been allocated thru employment by GE & IBM had gone for down payment on houses, etc. Cisco gave me a modest stock grant when I hired on & have added to it these past few years to the point where I may realize something of it when I retire. In addition I have been participating in ESOP & contribution 401K.

What you are proposing would hurt all of us "little people" the most, especially those of retirement age or close to it. Cisco has seen fit to allow most of its employees (unlike other companies, i.e. Oracle, etc.) to share in their success. By expensing these options you hurt the financial structure of the company, which in turn would hurt us. What you propose would take this last shred of hope away from us, bear market or no bear market. Why are you even considering it? What would you gain? Why not go after the big guys like Ellison & Buffett?

Put the politics aside & just DO THE RIGHT THING!!! Or are you in on the take too...

Respectfully (I hope)

Bill Coale
CAD Applications Engineer
Cisco Systems