Letter of Comment No: 204 File Reference: 1102-100

Stacey Sutay

From: Susanne Albin [salbin@cisco.com]

Sent: Monday, April 19, 2004 5:44 PM

To: Director - FASB

Subject: Do not expense Stock Options

Reference: File Reference No. 1102-100

Attn: Charles H. Herz

Dear Chairman Herz,

I have been monitoring the progress on the stock option expense issue and have grave concerns regarding the action you are proposing. President Bush spends a great deal of time discussing how he is rebuilding the economy, the proposed action will actually deteriorate progress. If option expensing is passed, my economic livelihood is dramatically impacted. I work in one of the most expensive areas in the US, without the options I can not continue to have a home because I will not be able to afford the mortgage and upkeep. The vacations I take, additional health coverage I carry, and the ongoing education I receive are because of the stock options the company gives to me.

I am a single woman, there is not another income to help me with my expenses. If my roof needs to be replaced, the pipes need repair or my furnace goes out, my means of paying for these expenses is the stock option.

I work the grueling hours for Cisco Systems because I am well compensated. If you expense the stock options my overall compensation will be cut dramatically. One of the reasons our revenue per employee are so high is because we are compensated for the additional time we work. The government still gets the taxes when I sell and considering the tax percentage is almost 50%, I think the government is well compensated.

Let me provide you an example of how the Stock Option have made a difference in my life. My job was restructed in April of 2001. In a down economy I received 4 months severance and had to find a new job. With thousands of jobs being "restructed" every week, I was not having any success securing a new opportunity. I was given an option to do a loaned executive program at a local non-profit organization. There was a catch, I only received 33% of my regular compensation and benefits for this one year project. I had a home with a mortgage that far exceeded my reduced monthly earnings and had to find a way to make up the difference. I used my stock options (selling them monthly) to balance the deficit. Without the stock options I would have lost my home (and all the equity I had built up). My story is not unique. Consider the impact during the next economic downturn if the stocks are not available.

I have worked for Cisco Systems 8.5 years and it took most of my vested shares to keep afloat during 2001 and 2002. What happens next time if they are not available. One of the reasons Cisco is so successful is the leadership team we have, how can high tech recover without high quality leadership. Are you willing to cut your pension? Take a salary cut for all your effort? Why are you asking the employees of high tech companies across the US to take a cut?

Susanne Albin HR Representative