

Stacey Sutay

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File Reference: 1102-100

From: Marc Bresniker [mbresnik@cisco.com]
Sent: Monday, April 19, 2004 6:52 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Herz,

I strongly urge you not to implement new accounting guidelines that would cause stock options to be recognized as expenses. As an employee of a company that has utilized stock options to build employee loyalty and a sense of ownership in a company I feel these new guidelines may cause disruptive changes to the industry that has help fuel US economic development the past several decades. I have worked at my present company for approximately eight years and look to eventually utilize stock options that have been issued to me as part of future savings, investment and retirement plans and this has been a key reason for my chosen profession.

I do feel the sense of ownership in the company and it does effect the decisions I make in my particular role knowing that the company has made a long term commitment to me as an employee. I have seen the value of these options rise and fall and it is very difficult to put a price tag on their potential value. I grew up in Silicon Valley and watched the innovation that has taken place here in the last 30 years. The commitment people put into their careers and sacrifices they make often has been tied to the potential gain they may achieve if they their companies succeed. Often those potential monetary rewards do not materialize but it has not stopped the cycle of ingenuity and re-invention with new goals and potential of the next opportunity.

Changing this model of rewards based on success will be one more reason to locate a business outside of California and the US. In the Technology Industry, the best and brightest from around the world have come to Silicon Valley with the hopes of making an impact in how technology is used as well as an impact for themselves and their families. Stock options have been a key draw to migrating to the area regardless of the disruption in their lives. Changing that will take away a competitive advantage for the US and will cause these individuals to look elsewhere with their skills and talents.

Sincerely,

Marc Bresniker

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