

Stacey Sutay

From: Anthony Krasznai [akraszna@cisco.com]
Sent: Tuesday, April 20, 2004 7:48 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

To: Chairman Robert H. Herz
RE: File Reference No. 1102-100

Mr. Chairman;

It has come to my attention that the FASB has released a draft plan suggesting that companies will be required to treat stock options as an expense. I'm writing to urge you and the FASB to reconsider this plan and consider the impact that such a decision may have on the livelihoods of hundreds of thousands of individuals in the US high tech industry.

As a Network Consulting Engineer and individual contributor (I am NOT a manager), Cisco Systems offers a broad-based employee stock option plan of which I am a participant. I'm concerned that if such a ruling is put in place, it will no longer be competitive for Cisco Systems to grant me further stock options.

I have been employed with Cisco Systems for over 6 years now, and the employee stock option plan and the subsequent financial benefit it has provided me has allowed me to

- finance my wedding
- put a 20% down-payment on my first house
- pay off all my debts except for my mortgage

Assuming that this employee stock option plan would be allowed to continue, I hope it will allow me to pay off my house and provide a significant portion of my retirement savings and my son's college tuition (he's 3 yrs old this week). Obviously these goals give me a tremendous incentive to work to make Cisco Systems a successful company.

I understand why the FASB is considering this ruling given the corporate scandals that have come to light in the last 5 years. However, please don't impose a single rule that will hurt individual contributors like myself while trying to control future acts of a few potentially unscrupulous corporate executive managers.

Perhaps you could consider requiring companies to expense just the options of the top executives in the company, or have executive options expensed at a higher rate than those given to individual contributors.

Please reconsider your plan to require companies to expense all stock options.

Sincerely,

Anthony Krasznai
Cisco Systems, Inc.
RTP, NC