

Stacey Sutay

From: Bruce Kayajanian [brucek@cisco.com]
Sent: Tuesday, April 20, 2004 7:49 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Mr. Herz,

I understand that there is strong consideration for expensing stock options, as I would appeal to you to please do not let this happen. Our company Cisco Systems is the first company I have worked for in my 25 years, which has provided stock options to all of their employees and not just the senior management and executives. The incentives and ownership one fees when they own a piece of the company cannot be understated. My motivation in what I do and how I do it every day, I know will reflect directly back to me and my fellow Cisco stock holders.

Let me share with you a couple of examples of how these stock options have changed my life in a way that would not be possible without them. First and foremost, I have a daughter who is planning on attending college this fall. As we all know the price of colleges today have skyrocketed and with my stock options, this will allow me to send her to college without a financial burden on my family of borrowing from my home equity or 401K. In three years, my second daughter will be attending college as well, so you can understand how these options will help me in getting my daughters a college education without a great financial burden or debt on our family.

Another example of how these options have helped me is that they have allowed me to be generous in how I give to my church and other charitable organizations. Again, if it were not for having the extra money that our stock options provide (based upon our companies performance), I would not be as giving as I am today to these charitable organizations.

I feel very fortunate today to be working for a company that is willing to reward their employees for their hard work and motivation. As an employee with stock options I know that my financial future is dependant on me and my fellow workers. I honestly feel that the atmosphere and working environment in the company will change if Cisco has to stop offering stock options to all their employees. Please reconsider expensing stock options, as this is an excellent way to not only motivate employees, but allow the common everyday worker an opportunity at a financial reward that they normally would not be given.

Sincerely,
Bruce Kayajanian