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Letter of Comment No: 2070 File Reference: 1102-100

From: Ryan Gunia [rgunia@cisco.com]

Sent: Wednesday, April 28, 2004 6:01 PM

To: Director - FASB

Subject: FASB File Ref # 1102-100

Chairman Robert H. Herz:

Please reconsider the importance of stock options. Our nation needs this important compensation to compete within our global economy. Chinese companies are a good example of not expensing options. Expensing options could have an effect on the over economy and the amount of money that is pumped into our economy. The money that is generated from stock options goes to many good uses such as for college education of sons and daughters. It may ultimately affect our ability to attract and retain people. This could have an effect on the cost of human resources and ultimately bring a greater expense to the bottom line of shareholders in trying to retain employees.

Options that have been given to some executives "in the news" may have tried to ruin it for some, but this is a small portion compared to the large amount of good, quality people who receive options. Please reconsider the use of expensing options, this could have an effect on attracting and retaining innovative people here at Cisco, and throughout many other great organizations. This could directly impact the quality of products that we receive on a day to day basis. Having stock options within a company gives an employee a sense of ownership. Ownership is a powerful piece that gives you more pride in doing your day to day job. Ownership also gives you a feeling of wanting to be a type of watch dog. Employees want to make sure everyone else in the organization is doing their job with integrity. Ownership is a powerful piece that I hope won't be taken away.

Thank you for your consideration,

-Ryan

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