

ikon**Letter of Comment No: 1943**
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From: Carroll McGillin [cmcgilli@cisco.com]
Sent: Monday, April 26, 2004 11:37 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Save Stock Options

I am a Cisco employee who has worked in the technology industry for the past 20 years. I urge you to NOT to expense stock options, especially at an unrealistic high valuation. As I mentioned, having worked in this industry since its inception (I started work at Commodore computers), stock options are a critical part of the employee incentive program that makes sense in this very fast moving and competitive market place. I have worked in other industries (publishing) and the traditional compensation method that they have just doesn't cut it in the IT market. If as a nation, we want to stay competitive in the IT field and continue to be at the leading edge and "own" this market it calls for IT companies to have employees that are willing to work beyond what is just required (be this in the hours that we need to keep or the level of creativity that we need to bring to our jobs)

Stock options have played a critical piece in my willingness to work the long hours that are required and needed in the IT industry. Stock options have enabled me to purchase my first home (when I worked for Apple) and continue to use my stock options as a core way to plan my retirement.

Finally, I feel that the current proposed law change to expense stock options is very short sighted on our Govt. part. Other countries, like china, allow companies to use stock options and don't treat them as expenses, why should we? China is already trying to take over the IT world market and this proposed US change will be just be one more thing we do as a nation not to prevent US IT companies from being globally competitive.

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