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Letter of Comment No: 4275
File Reference: 1102-100

From: Mike Claes [mclaes@cisco.com]
Sent: Monday, June 14, 2004 5:41 PM
To: Stacey Sutay
Subject: I am OPPOSED to FAS 123

Hello,

I am an employee at Cisco Systems opposed to the exposure draft released on FAS 123. If implemented, FAS 123 will likely bring an end to broad-based employee stock option plans. I see this measure as unfortunate because it would take away what now provides me with a sense of purpose, pride, and ownership to my daily work routine.

Broad-based employee stock option plans have not only motivated me to work harder and more efficiently, but also benefit shareholders by better aligning employee and shareholder interests. With stock options, I benefit only when the shareholders benefit.

Employee stock options are not freely trade-able and are subject to forfeiture if I leave the company and are impossible to value. How can you value something that has no market value until exercised and sold by me and taxed at my personal income tax rate.

Please reconsider and rescind this exposure draft.

Sincerely,

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