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From: Gary R. Zarse [gzarse@cisco.com]
Sent: Wednesday, April 21, 2004 8:56 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 1169
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Dear Chairman Robert H. Herz,

Please do not allow the Financial Accounting Standards Board (FASB) to enact legislation that will mandate companies to expense stock options. As I work in the high tech field, this will place our corporation and all of the USA at a disadvantage with the rest of the world that will not be required to expense stock options. It will also have a major negative impact on the quality, motivation, and innovation of corpora allow ample opportunity for other countries to gain the initiative and momentum to take a major portion of the high tech business away from the USA.

I have been an employee of Cisco Systems for eight years and have benefited greatly from having corporate stock options. Every employee at Cisco fully understands the need and drive to increase shareholder value as they are also shareholders. This impacts every decision and every action of every employee at Cisco on a daily basis. It also creates a much stronger sense of camaraderie among the employees, instills a pride of ownership, and reinforces the knowledge that every employee can make a difference in the success of Cisco.

Receiving stock options has been a great motivator for me at Cisco as it has elevated the standard of living for my family and has assured that my children will be able to continue their education at a higher learning facility of their choice. It has also significantly contributed to attaining higher level of expectation for my retirement years. Without stock options, all of these personal benefits would not have been attainable.

Please consider the full impact of this proposal as it is the employees, not the executives, that will suffer the burden of your actions.

Thank you,

Gary Zarse
Systems Engineer
Cisco Systems, Inc.