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From: Crome, Stuart [scrome@cisco.com]

Sent: Thursday, June 10, 2004 2:11 AM

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: Employee Stock Options

Chairman Robert H. Herz,

I am a new recruit to Cisco having spent nearly the last 20 years as an officer in the Australian Defence Force. One of the major attractors in being enticed to join Cisco is its remuneration package, especially the stock options.

To expense stock options would have a negative effect not only for US companies, but also for employees that work for the company and in my case live in other countries outside of America. To expense the stock options would see Cisco lose a large part of the differentiator it has that inspires and attracts the 'best of the best'.

I would encourage that the global effects are taken into consideration when examining these types of policies. The ramifications are significant at the individual, domestic and global levels. The question may need to be asked is if enforcing the expensing stock options provides the long term gain which is in the best interest of the company, US fiscal policy and the employee relationships.

I have previously experienced the changes in remuneration where what was lost is never made up for via other means. There is a strong feeling that the FASB intent is similar in its approach. It is a bitter pill to swallow at the personal level when it is my hip pocket that is affected. To negate the sentiment then there is an expectation that the company would remunerate their employees in a different manner to make up the shortfall, or simply accept the loss. This in itself would be very difficult given that companies like Cisco operate in a global environment where each country has its own policies etc for income and any change in base salary would likely not compensate for the loss of options.

The opportunity exists for strong professional companies like Cisco to grow. This is a benefit to the US government. It would be a shame to undermine the potential of growth through the proposed FASB stock options intent.

While I am only single voice from afar the sentiment is shared by many within Australia.

Regards,

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