

Message

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**Letter of Comment No: 3689**  
**File Reference: 1102-100**

**From:** Michael Brumbaugh (mbrumbau) [mbrumbau@cisco.com]  
**Sent:** Wednesday, June 09, 2004 10:16 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Chairman Robert H. Herz:

I have been a Cisco Systems employee for almost 3 1/2 years now and without question my decision to come to this company was due to the opportunity to be rewarded with stock options.

I understand that the FASB is considering a ruling to have companies expense stock options. I believe this would be a big mistake. As you know America is losing many jobs to China and India. China in fact rewards their employees with non-expensed stock options. If we want America to remain competitive in this world economy we must give non-expensed stock option incentives to talented workers at all levels. In high tech companies like Cisco Systems, its just not the people at the top that make the company competitive. Its everyone from the CEO to the Customer Service Rep.

Without a doubt if options must be expensed, stock options will not be available for most employees at Cisco Systems and I would expect most companies that currently offer broad based options to their employees.

Please help keep American companies competitive and American's working.

Thanks...

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