Stacey Sutay

Letter of Comment No: 373
File Reference: 1102-100

From: Degrazia, Brad [degrazia@cisco.com]

Sent: Monday, April 19, 2004 8:32 PM

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: File Reference No. 1102-100

Chairman Robert H. Herz.

Cisco is telling their employes that if the FASB option expensing model is adopted it will force Cisco to remove broad based option plans.

I live in Seattle and know many people who work for Microsoft which has effectively terminated their option model. Most of them have cut back their hours and their devotion to the company and as a result the products have suffered which has ultimately hurt me, the customer.

One could argue that much of the rapid pace of technological advancement has been the result of employee incentives; not for the big guys, but for the Joe Averages: the engineers, the support technicians the testers and the installers. Take away their incentives and you will effectively slow down their output and consequently slow down the pace of American companies.

I don't think the goal of the FSAB is to create an environment which gives off-shore non-American owned companies a competitive advantage, but it sure feels like that's what's going on.

Brad DeGrazia Software Engineer Cisco Systems