

Stacey Sutay

Letter of Comment No: 425
File Reference: 1102-100

From: Thomas Randstrom [trandstr@cisco.com]
Sent: Monday, April 19, 2004 7:28 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Herz:

I request that you please reconsider your draft plan to treat stock options as an expense.

I presently work for Cisco Systems, a company who has leveraged stock options to motivate employees at all skill levels. We have been able to achieve incredible success partly as a result of the employees ownership pride that stock options have provided. We are constantly challenged from competitors both within our borders and beyond. Stock ownership enables our company to be competitive in the world economy, many of which use stock options without the heavy expense burden.

Stock options are allowing me the ability to save for retirement, without sending my wife to work and my two young children to day care. Most companies these days, including Cisco, no longer fund traditional retirement plans. 401K plans are a great way to assist in the saving for retirement, but contributions are always in tension against other expenses, such as college education for children, home mortgage, and ever rising taxes.

Again, I request that you reconsider the current draft plan for expensing stock options. This is not the time to further burden our US companies with additional expenses so as to result in the elimination of stock options to the rank and file employees. As a result of this proposed plan, taxes paid by the rank and file employees from stock option gains will be eliminated when corporations stop issuing stock options, further stressing our our federal and state budgets.

Sincerely,

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