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Letter of Comment No:637
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From: Bradford, Richard [rbradfor@cisco.com]
Sent: Tuesday, April 20, 2004 10:50 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Stock option accounting

Chairman Robert H. Herz
Dear Sir,

I'm writing to you because the accounting changes under consideration could have a tremendous impact on workers like myself in innovative companies like Cisco Systems. I am an typical worker at this company. Cisco grants its workers stock options on a yearly basis. The company's ability to reward us in this way would be greatly harmed or completely eliminated by the proposed accounting changes. I do not ask this on my behalf alone, but for my company and my children.

Our company is facing fierce competition from around the globe and these options are needed to attract the people we need to survive. This accounting change can only hurt the company. Without top talent we will not be able to maintain our leadership, hurting the company, the stock holders, the employees, and ultimately our country. Stock options are a key driver of innovation. They allow the best and brightest to be rewarded. We need those people and we need them motivated to succeed. The U.S. has lost its leadership position in manufacturing. We cannot afford to lose that position in innovation.

Please reconsider the current plans to expense all stock options. America's economy grew at an historically unmatched pace during my generation using the current stock option expensing rules. Please do not do anything to destroy this same opportunity for my children's generation.

Sincerely,
Richard Bradford