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From: Sent: Roy Johnson [royj@cisco.com] Monday, June 14, 2004 2:14 PM

To: Cc:

Director - FASB Roy Johnson

Subject:

Expensing Stock Options - File Reference No. 1102-1

Chairman Robert H. Herz,

I am an employee of Cisco Systems and writing to you fight against expensing stock options at unrealistically high valuation as proposed by FASB. This would make it difficult for Cisco and other companies in Silicon valley to continue broad-based employee stock option programs like the one we currently have at Cisco.

Letter of Comment No: 4294

File Reference: 1102-100

Stock options is one of the key forces that drive the economic engine in the valley here and provide the incentive for innovation, productivity and job growth and improved shareholder value. If it wasn't for stock options my family and I would not be able to own a home here and would be forced to leave the area.

Without a broad-based employee stock option program it would be difficult for Cisco to retain talent and be competitive with overseas companies that do not expense options. Eventually this affects job growth and the economy here in the US.

I understand the motive for FASB to expense stock options, however the unrealistically high valuations is the problem. If we can propose a model that is more reasonable then both sides can win that will help with job growth and the economy.

Regards,

Roy Johnson