Letter of Comment No: 4342

File Reference: 1102-100

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Robert Oddo (roddo) [roddo@cisco.com]

From: Sent:

Robert Oddo (roddo) froddo@cisco.com

Tuesday, June 15, 2004 8:49 AM

To:

Director - FASB

Cc:

savestockoptions@cisco.com

Subject: File Reference No. 1102-100

TO: Chairman Robert H. Herz

RE: Stock Option Expensing

I urge the FASB *NOT* to mandate stock option expensing.

As an employee and owner, stock options impart a sense of empowerment in my everyday business dealings and help provide the incentive to overachieve. That's a strong incentive for employees to act on the behalf of the company in a way that directly benefits the shareholders.

The current proposal by the FASB still does not make good business sense. By strict accounting standards options don't even meet the criteria to be considered an expense, so why is that a key part of the proposal. To me, the best recognition of an option is when they are exercised - that is the only way to determine their true, and fair, value. Anything else is just plain inaccurate.

I strongly encourage you not to enact the current plan.