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Letter of Comment No: 3741
File Reference: 1102-100

From: Jean Henry (jhenry) [jhenry@cisco.com]

Sent: Thursday, June 10, 2004 12:15 PM

To: Director - FASB

Subject: File Reference No. 1102-100,

Dear Chariman Herz:

I strongly oppose expensing of stock options and wanted to share with you key reasons for that opinion.

In the late 80's I became a single mother of two young children. While I was fortunate enough to be employable, I nonetheless faced a couple of realities:

- 1) As my salary increased, so would my expenses. This implies I would have little problem in meeting day to day responsibilities however would be challenged in accumulating wealth.
- 2) My chosen industry technology sales -- has a business model whereby the comforts granted to government and older brick & mortar industries such as a corporate pension plan are not available.
- 3) While I could (and have) invested in traditional retirement vehicles such as 401K, the critical issue would also be the reality that I would need to decrement available cash flow in order to make that investment. (see Item 1 above)

In 1996, I made a conscious decision to invest my future in a company which offered stock options. Why? Simple. I work hard -- very hard. I felt and feel that my personal contributions are critical to a company's overall success and I should be rewarded both with salary/commissions as well as the ability to financially profit from the corporations market place success.

I chose to go with Cisco and it's obviously been a wise decision. Now, as a result of others untoward behavior, that ability to fully participate in corporate success is threatened. The pending action will make it virtually impossible for Cisco to continue to offer stock options to all but select executives as part of an overall compensation package. It's even more ridiculous when one considers the reality that valuations will be pegged to potentially dramatically shifting stock prices.

I could continue to discuss the competitive implications for US corporations in general, the questionable application of the term "expense" since no corporate assets are actually used and the fact that the market does reflect any dilution impact when shares are exercised but I wont

Rather -- I 'd like to you to remember Horatio Alger and the fundamental proposition that America is the land of opportunity. For many of us, stock options are a critical component of realizing that American dream. Please, don't take them away.

Regards, Jean Henry 210 Powder Mill Road Morris Plains, NJ 07950