

ikon**Letter of Comment No: 3898**
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From: Michael DiVincenzo [mdivince@cisco.com]
Sent: Wednesday, June 16, 2004 3:42 PM
To: Stacey Sutay
Subject: Expense Stock Option Ruling

I am an new employee with Cisco Systems who expects to benefit employee stock options program. I fear that this newly proposed draft FAS 123 if approved will bring an end or greatly reduce employee stock option plans. I believe that the employee stock option plan not only is an excellent way of compensating individuals for their work effort but more closely aligns the interest of the shareholders with the interests of the employees. The employee stock option plan is a way for companies to compensate it's employees and since the stock options are subject to a number of limitations they have no true market value and therefore should not be expensed. Please reconsider and rescind FAS 123.

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