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Letter of Comment No: 3895
File Reference: 1102-100

From: Rhonda Lowe (rhlowe) [rhlowe@cisco.com]
Sent: Wednesday, June 16, 2004 2:03 PM
To: Director - FASB
Subject: To Chairman Robert H. Herz, File Reference No. 1102-100

Dear Chairman Herz,

I am writing with regards to current items & issues around the expensing of stock options.

I am an employee of Cisco Systems, and am an "individual contributor" - I am not a member of management; I am one of "the little people." Stock options are a way for me to have something to look forward to in the future - money to possibly be used for retirement, a child's college, a new home, or other investment. I fear that if expensing of stock options goes ahead as the FASB has it currently, I will lose that benefit from my company. I understand your desire to supposedly "solve" the Enron and MCI problems of the past, but in essence, it will really only hurt the little people like myself.

Broad-based stock option plans give employees at all levels a chance to own a "piece of the rock" and increase productivity for the company. I believe your intent to have all options expensed is in an effort to bring some conformity & regulation to the process, but since there is currently no accurate, reliable or consistent way to value options, I don't see how this will help anything? Why add in another process that is not spelled out in the "how" to do it? Seems like you would be asking for even more creative accounting....

I hope you take the time to consider my letter, as well as the many others I am sure you are receiving regarding this issue.

Best Regards,

Rhonda Lowe

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