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From: Sent: To: Dan McCullough [dmccullo@cisco.com] Wednesday, April 21, 2004 3:12 PM

Director - FASB

Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I urge you to not expense stock options, especially at an unrealistically high valuation. While I don't profess to be an accounting professional, I do personally understand the significance of working for an enterprise in which I have an ownership interest. I have operated my own small businesses, worked for companies that shared mone of the gains, for companies that shared them at only a symbolic level, and now work for a company that broadly shares success. My experience is that both motivation and satisfaction are directly linked to the degree of ownership participation.

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Please understand that I am sympathetic to a desire to change the model where a handful of executives are granted large numbers of shares. If corporations wish to claim that this is an expense of retaining top executive talent, then it is an expense, and should be treated as such. But I see that as an entirely separate issue from enabling the rank and file to participate, and surely the two cases should not be treated the same.

Rgds, Dan

Dan McCullough

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