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From: Colleen Ayotte [cayotte@cisco.com]
Sent: Thursday, June 10, 2004 10:12 AM
To: Director - FASB
Cc: Colleen Ayotte
Subject: File Reference No. 1102-100

Letter of Comment No: 3757
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Chairman Robert H. Herz,

Please do not expense stock options.

You have no doubt heard most or all of the intelligent corporate reasons based on Accounting and Competition. Such as: The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised. U.S. companies need stock options to compete with other countries on a global basis.

My reasons however are more personal, though just as crucial. As a Cisco Systems employee of less than 4 years, it is an important investment of my future to continue receiving stock options. To purchase a home, pay for my children's education and to secure my retirement. These are dreams within reach because of my stock options.

Sincerely,
Colleen Ayotte
Cisco Systems, Inc.