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 From:
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 Sent:
 Tuesday, April 20, 2004 2:55 PM

 To:
 Director - FASB

Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

To The Chairman, Mr. Robert H. Herz.

Dear Mr. Chairman.

I understand that you are very close to make decision about treating stock options issue. I would like to request you to not treat the stock option granted by the corporation to any employee as an expense. The stock option granted to the employee motivates the employee for innovation, motivation. Also it helps the U.S Economy to certain extent. It motivates the employee to motivate which helps productivity increase and innovation. I will share a true personal story with you and you will understand how the options help my life as well as U.S Economy.

Letter of Comment No: 916

File Reference: 1102-100

I arrived this country as an immigrant in 1983 with high hope. I started working and studying the same time. Subsequently I became U.S Citizen as I love this country. I was leaving in east coast and working a Pharmaceutical Corporation who does not have any benefits such as granting stock options to all employee. While I was leaving in east coast I wanted a buy a house and I could not able to buy as I did not have money needed for down payment. Subsequently I got married and me and wife had the same dream. Me and my wife moved to California in 1996 as I got a job in Cisco Systems, Inc. We were delightful as I received stock option from the company and for first time we feel that our dream will be achieved. We were able to buy our own house in 1999 due to stock option. Owning a house a gauge of economic indicator US economy grows when more people own their own house. The company may not have given the stocks to the employee if the stock option was treated as expense.

I work in accounting and being an accountant I certainly know that the stock options do not meet definition of an expense because they do not use company assets. Also I do not understand the reason why FASB want to treat the stock option as an expense as the true cost of stock option dilution of earnings per share and is already accounted for when the options are exercised. I would request you to review very carefully and do not treat the stock option as an expense. I can give you more reasons why the stock options should not be treated as an expense. U.S companies need to compete with corporations on a global basis and U.S companies have to hire the best talent. Unless U.S Corporation continue producing innovative and quality products, they will lose the competition from the other Corporations on global basis. For example, the Chinese Corporations use stock options and they do not treat them as an expense. Expensing stock option will have a dramatic impact on American High Tech Leadership. Again US economy will go down if the stock options are treated as expense because the stock options have been crucial contributor to the success of the U.S Economy.

Regards, Sajal Mukherjee

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