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Letter of Comment No: 2180
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From: Michael Lysenko [mlysenko@cisco.com]
Sent: Tuesday, May 04, 2004 8:48 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Save Stock Options! File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am urging you to NOT expense stock options.

I am a first level manager at Cisco Systems and have been receiving options since joining Cisco Systems six years ago. Employee ownership is part of the Cisco culture. Being an owner of the business has made me think like an owner and not just an employee. This has benefited Cisco in many ways.

It has also benefited me personally. I have been able to do many things due to the fact that "ownership has it's privileges". I have been able to provide 100% in paying for my two children's college education. They are now better off (as am I) without the burden of debt usually associated with college.

I have been able to also provide a better lifestyle in general for my family whether it pertains to a nicer home, nicer cars or nicer vacation experiences. This has EVERYTHING to do with stock OWNERSHIP!

From a corporate standpoint I believe that the artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity. Stock options do not meet the definition of an expense because they do not use company assets. In addition, the true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

I believe expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Again, I cannot overemphasize enough the negative impact you will have if you and FASB decide to expense stock options. Thank you for listening.

Respectfully,

Mike Lysenko
Regional Manager
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