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From: Sent: John Ackerman [jacke@cisco.com] Tuesday, April 20, 2004 12:36 PM Letter of Comment No: 991 File Reference: 1102-100

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: Stock Options

Mr Robert H. Herz

File Reference: No. 1102-100

Dear Mr Herz,

I have learned that the FASB has released a draft plan stating that it intends to treat stock options as an expense. I have also learned that the stock valuation this draft proposes will make it very difficult for my company to continue broad-based employee stock option programs like the one that has been in place at Cisco.

I am entering the twilight of my career and will more than likely retire within two years. As a matter of fact, I derferred retirement to join Cisco in early 2001. One of the incentives that made my decision to do that was Cisco's stock option that was included in my employment offer. It also marks the first time in a working career of over 50 years (31 in the military and 19 in the civilian sector) that any organization I've worked for has offered me any kind of stock incentive.

I have been able to use my options to augment my quality of life. In addition, they have helped to keep me focused and motivated to do the best job possible at Cisco. The options I've exercised have helped me purchase and furnish a new condominium. Most important however, is the fact that my options (and stock purchase plan) make me an owner of this fine company.

To treat stock options as an expense would most likely end the program here at Cisco and affect a large number of people throughout the United States who would have otherwise been unable to obtain stock in their companies. I'm not an expert on economics, but I also think that eliminating options would have an adverse affect on our economy.

Thank you for taking time to read this email. I would urge you to reconsider expensing options.

Sincerely,

John W. Ackerman