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**From:** Daniel Waugh (dwaugh) [dwaugh@cisco.com]  
**Sent:** Tuesday, April 20, 2004 1:53 PM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com  
**Subject:** File Reference No. 1102-100

Chairman Robert H. Herz

It is with great concern in which I write this letter. Upon hearing the FASB's intent to treat stock options as an expense, I was perplexed and very concerned. This form of incentive was and still is the very reason I am associated with a technology company. I have greatly benefited from these options. These options were a large part of my down payment for our home. Without this form of incentive I would not have had the ability to live in the home I do today. I also consider these options as my retirement plan.

Why would the board take away my ability for a secure future???

Is the boards next move to address Social Security and take it away from our senior citizens???

How can options be an assets???

What definition of stock option to you consider to be an assets???

How will we compete with overseas competition which use this method to entice employees???

Are we going to let our competitors win???

Why are you considering this option???

I believe this board is caving to media pressure and not looking at the big picture. They are not seeing the benefits. They are looking beyond the present timeframe. They are being short sighted.

I urge the board to reconsider their approach to stock options and continue to allow this enabler to again revive the economy.

Daniel R. Waugh