ikon

Letter of Comment No: 1091
File Reference: 1102-100

From: Ramiz Ballou (raballou) [raballou@cisco.com]
Sent: Wednesday, April 21, 2004 4:28 AM
To: Director - FASB
Subject: Please do NOT expense stock options - File Reference No. 1102-100

Dear Mr. Hertz,

I understand that you are reviewing the case for expensing stock options.

Stock options are not just a financial reward but it is an instrument to motivate employee to compete to be most creative, optimal solution for problem, and in the shortest possible time. It simply create innovations.

> Just so happened yesterday both GM and Ford announced a collaboration to design the next generation 6 gear automatic transmission (to reduce gas consumption) for a total cost of $720 million in anticipation to complete the task in 2-3 years. At the same time, the media criticized the approach by saying Japan is already working on a better design to deliver 7 gear automatic transmission. Their message was..."why can't give this a small startup with few talented engineers to solve this problem"?
> I see the challenge and innovation at Cisco system everyday to deliver superior solution - certainly Internet security features has been a challenge in many people's mind.

In addition, many of us who have stock options...also have a very high valuation stock options are stuck with stuck with them for a long time. I need to have those stock options have a value to help me take advantage of them and ensure the education of my three elementary school children

Please do not approve the expense of stock options.

thx,
Ramiz Ballou
==========

Ramiz Ballou
Product Manager
Cisco Systems Inc.
Tel: 408-525-0160 Email: raballou@cisco.com
Fax: 408-525-0160 Pager: 408-388-4623