

Len Tatore

From: Shan Gopalakrishnan [sgopalak@cisco.com]
Sent: Thursday, April 22, 2004 7:59 PM
To: Director - FASB
Subject: File Reference No. 1102-100 : STOCK OPTIONS NOT TO BE TREATED AS EXPENSE.

Letter of Comment No: 1437
File Reference: 1102-100

Hello Chairman Robert H. Herz,

My name is Shan Gopalakrishnan and work for Cisco Systems Inc. In my personal and humble opinion granting Stock options should NOT be treated as an expense to the organization. This is an important factor to motivate me in my job today. Having known the economy is not so great, the promotions and salary hikes are very restricted. Stock options is the only benefits today that the company can offer.

How it influenced me?

When I joined Cisco Systems Inc during May 2000, I had couple of other offer from few companies. The only factor which I considered among other benefits and career prospects to join Cisco is Stock options. As a common man, if I had to be stable financially, I feel stock options are an important factor.

How have they or will they help you and your family financially?

With the several options that my company has granted me, I have now some gained some dollar amount which I would not have earned with my normal working hours. This really helps me to meet some of my personal goals. Now at least I have saved some amount to buy a house or spend money for my kids education. I always get more and more encouraged by looking at the stock balance or the stock value in my employee stock options dashboard.

Benefits to the organization & individual.

I feel options are the motivation for employees and which is only factor why the employee churn around is reduced. It motivates me to work more as now I have this additional benefits. With the options I have, I feel if I work more, it not only contributes to my company but also personally to me.

I personally request STOCK OPTION benefits to employees should not be treated as an expense or rather not to be treated with artificially high valuation. Removing this benefits, is definitely going to demotivate me and reduces the intension to serve longer in my organization. I would be thankful for you and your organization if this request is considered and take any futher action which you stop this from being implemented.

Regards

4/23/2004