

Stacey Sutay

From: Saadat Malik [smalik@cisco.com]
Sent: Tuesday, April 20, 2004 5:08 AM
To: Director - FASB
Subject: Stock Options Expensing: File Reference No. 1102-100
Importance: High

Dear Chairman Robert H. Herz,

I am writing to you in reference to the proposed draft which asks for Stock Options to be treated as an expense. I would like to request you to seriously reconsider this. What you are about to do could seriously effect the very foundations of the structure of innovation we have in the US.

I am an immigrant to this country. Like many others before me, I came to US with a dream to be part of a society which valued innovation and accorded opportunity to its constituents to excel in areas close to their hearts. An integral part of this dream was the opportunity to directly reap the rewards of my hardwork through ownership in the company I worked for. Stock Options have played an important part in making this dream a reality. They are what make the 'American Dream' a living and breathing reality for a lot of the immigrants. I would offer to you that taking away the ability of companies to use these options would make things harder for a US economy which will be pushed hard to compete with the growing information economies of the likes of India and China in the days to come. This is a time to arm the US workforce with all the tools we have at our disposal to drive them to new heights of innovation. Forcing companies to treat options as an expense seems to be a step in the opposite direction.

I would like to request you to consider this issue again in light of the impact it would have on the average employees in US companies and consider their opinion in making this change which could change the horizon of the US economy, especially the high tech industry, for ever.

Thanks.

- Saadat Malik

Cisco Systems Inc.