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From: Carala Calhoun [ccalhoun@cisco.com]
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To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am writing today to urge you, please, do not expense stock options!

Over the past 20 years, I have worked for several companies that offered stock options. About ten years ago, my husband and I realized a mere \$500 gain at Apple Computer. We never were able to cash in the options from a failed start-up, MiniStor. And we've never even touched our Cisco stock options. But yet, being an actual shareholder at each of these companies and having even the *potential* for additional financial gain down the road ... these have always been extremely powerful motivators for me.

If successful, these stock options might help pay for my children's college! They may help make up for the cuts my husband and I will see in our social security benefits. They could even help us supplement the ongoing health insurance cuts we face.

As a shareholder, many of the decisions I make each day are about "my" company. Its not just about earning my paycheck; my day to day actions are driven by what I, as an individual contributor, can do to increase the value of the stock! That's extremely powerful!!!

I am very worried that the high valuation for a stock option required by FASB will eliminate stock options, which don't even meet the definition of "an expense" because they do not use company assets. The true cost of a stock option is accounted for when options are exercised! I am also worried that this is a knee jerk reaction to the Enron-type scandals and wonder why, instead of holding those (few) criminals accountable, this government chooses to penalize the rest of us -- the honest, hard working majority of corporate America.

Please remember, U.S. companies need stock options to compete with other countries on a global basis. And, expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. With so many jobs being sent over seas, this administration should be doing everything possible to keep our corporations competitive -- and their employees motivated.

Expensing stock options would be a terrible mistake.

Regards,

Carala Calhoun