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Letter of Comment No: 102-b
File Reference: 1102-100

From: Jonathan Parlan [jparlan@cisco.com]
Sent: Friday, April 23, 2004 2:29 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am deeply dismayed to hear that you are moving ahead with the idea of expensing stock options. I firmly believe that broad-based stock option plans, which are threatened by this expensing decision, are key to maintaining America's competitive position in the world.

I have seen how stock options have positive impact at all levels: personal, corporate, regional, and national. Personally, they have inspired me to higher levels of productivity, and they have enabled me to at least have the possibility of reaching "the American dream." At the corporate level, as a manager at Cisco Systems, I have seen how stock options are critical to recruiting and retaining the best employees. Regionally, I have seen Silicon Valley become a known as a leader of technology and innovation, and I am certain that stock options have been largely responsible for this success. This regional experience must be studied and reproduced at a national level to allow the United States to remain competitive; this is the worst possible time to put rules into effect that might prevent this from happening!

I hope at the very least, you will consider making *small* changes to the way that stock options are administered, rather than the large and radical change that you are proposing. There are several possible choices that can help make stock options more transparent, without threatening the entire concept.

Thank you for your attention --

=Jonathan Parlan