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From: Mackie Pajotte (mpajotte) [mpajotte@cisco.com]

Sent: Thursday, April 22, 2004 3:31 PM

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: Expensing stock options will negatively affect my family directly

Dear Director of FASB:

I have been employed at a Cisco Systems, Inc. a technology company, over the past six years and have been very fortunate to be able to take advantage of the company's stock options program. By using some of my already exercisable options I was able to purchase a home, invest in my children's education and also acquire other assets which I wouldn't have afforded if I didn't have access to my company's stock options program. I continue to look forward to exercising the rest of my options in the future to assist me in my other family obligations.

Letter of Comment No: 1543 File Reference: 1102-100

Based on my understanding of the intention of the governing accounting bodies my family (and many other families I would imagine) would take a set back should the decision be made to expense stock options. I would think that if the decision is made to expense stock options, companies such as Cisco and other technology companies would no longer be able to maintain a broad based employee participation in stock options because it would be way to costly for the company.

I am appealing to the government bodies such as the FASB to take another look at the proposed intention and obtain the view of other technology companies in order not to discourage broad based employee stock options, or at minimum, review thoroughly the different valuation options that can be used to value the amount to be expensed. In my opinion, the amount to be expensed should not be significant to prevent a company such as Cisco from continuing reward employees with stock options due to the burden this can have on earnings. On a more macro level, I would think the use of broad based employee stock options would have a direct positive impact on the US economy as whole.

Sincerely

Concerned employee

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