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From: Sent:

Ben C. DeBolle [bdebolle@cisco.com] Thursday, April 22, 2004 1:29 PM

Letter of Comment No: 1531

File Reference: 1102-100

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: File Reference No. 1102-100

22 April 2004

Dear Chairman Robert H. Herz.

I'm writing to you regarding the FASB proposal to expense stock options.

I am strongly against the current proposal and valuation method which produces an artificially high value for options. I feel that it unfairly penalizes high tech firms and their rank and file employees.

Stock options are the backbone of Silicon Valley's innovative culture. As owners, employees productivity is significantly higher than when one is "just working for a paycheck". In order to compete with China, India and other nations we need all the financial incentive tools possible. This is a particularly BAD time to be eliminating this vital instrument.

I urge you to NOT promote the current proposal and instead consider leaving things as the are now. Companies already DO disclose options in their reports. Or, if it is absolutely necessary to expense options expense only the options of the highest paid officers of corporations. If you force expensing of ALL options then the rank and file employees will suffer. Lastly, if it is absolutely necessary to expense options please consider using a very conservative model for option valuation. Using a model which exaggerates their value does a tremendous disservice to all parties including investors, employees, corporation and our nation in general.

Regards,

Ben C. DeBolle Software Engineer, Father, Husband, Homeowner Cisco Systems, Inc.