

Len Tatore**Letter of Comment No: 1456**
File Reference: 1102-100

From: Andrea Kwakye [akwakye@cisco.com]
Sent: Thursday, April 22, 2004 6:45 PM
To: Director - FASB
Subject: Concerns with Expensing Stock Options - File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am writing with regards to the current proposal to expense Stock Options.

As a current employee of Cisco Systems in the US, I am very opposed to the current proposal to expense options for the following reasons:

1) The high valuation for a stock option required by FASB will eliminate stock options as a motivational tool which has been used to drive innovation and productivity.

As an employee of Cisco, I appreciate the stock awards that have been granted to me personally because it shows me that the company respects the work that I am doing and it motivates me to work harder so that the company can succeed. This is the first company that I have been employed with that values their employees contribution so much that they give options below the management level. By expensing options I am afraid that this great benefit will be taken from the employees who actually value it the most.

2) U.S. companies needs stock options to compete with other countries on a global basis, especially since other countries, like China who are now providing options to their employees without expensing them.

Personally, this impact is of great concern to me. Its one thing to not have the additional income that options can provide once they become vested, its another to potentially not have a job at all. My concern is that as other countries begin to do as China has done, US companies will start doing business and transferring jobs to those areas because of the obvious financial incentives. We already have a fear in the US, at least within my small circle, with regards to the jobs being transferred over seas, due to the high cost of doing business in the US, I am concern that this proposal might make the situation worst.

I sincerely hope that you will take my concerns into consideration and reconsider this proposal. Please think of the harm that it will do to the American worker, like me, in the long run.

God Bless and Best Regards,
Andrea Kwakye
Customer Solutions Manager
Cisco Systems, Inc.

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