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From: Sent: Kamran Mohajer [kmohajer@cisco.com]

Letter of Comment No: 1897

File Reference: 1102-100

Sunday, April 25, 2004 3:21 AM

To: Director - FASB

 Cc:
 savestockoptions@cisco.com

 Subject:
 File Reference No. 1102-100

Chairman Robert H. Herz,

I am writing on behalf of an employee that is very much motivated by stock options from my company. My options to ate not only has helped my elderly parents, my in-laws and other families in need.

Please re-consider FASB's position on this matter and consider the followings:

Accounting Issues:

- * The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.
- * Stock options do not meet the definition of an expense because they do not use company assets.
- * The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

Competition:

- * U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)
- * Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Sincerely,

Kamran Mohajer Cisco Systems Inc.