

Len Tatore

From: Dupart, Franck [fdupart@cisco.com]
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To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 1434
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Mr. Robert H. Herz,

My email today is to share my views on employee stock options. I am an employee at Cisco Systems and receive employee stock options. Prior to Cisco, I worked for another Hi-Tec company in the Silicon Valley which also gave employee stock options. Stock options have been a central part of employee compensation and ongoing motivation, in this industry for years. It is in part of what makes this industry so unique and rewarding to work in.

Stock options have provided me the opportunity to have much greater financial freedom, and stability, even during these uncertain economic conditions. Stocks options have also provided my family and me the ability to build a custom home in the SF bay area. This dream would not have been possible without the opportunity stock options provided us.

Stock options are a great compensation tool which helps motivate employees and establish an unparalleled work ethic and dedication to our company. It fosters a deep sense of personal ownership in our company.

At a time when the economy is making slow but steady recovery, it is inconceivable to think companies will be forced to expense stock options. The projected repercussions in further job losses in this industry alone will be devastating. Expensing stock options will essentially eliminate this form of compensation for the rank and file.

The projected ongoing job losses in this industry as a result of expensing stock options compounded with lower individual purchasing power will further de-stabilize an already weak California and national economy.

While the intent has merit, the proposed solution will actually make matters worse on many different levels (job losses, prolonged economic down turn, exporting innovation to more competitive parts of the world.). Shareholder value will also be significantly impacted while their tangible gains will be elusive. These new accounting rules will do little to address the original intent of improving the accuracy of the financial reporting of public companies and or mitigating fraud or Enron type financial maneuvers. These new rules will punish the rank and file while executive compensation in most companies will continue to be heavily based on stock options.

In closing, I strongly urge you not to make changes to current accounting standards and regulations which would result in companies having to expense stock options.

Sincerely,

Franck Dupart