

**Stacey Sutay**

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**From:** Joe Franklin (jofrankl) [jofrankl@cisco.com]  
**Sent:** Monday, April 19, 2004 6:42 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100; Attn: Chairman Robert Herz

April 19, 2004

Robert H. Herz, Chairman  
Financial Accounting Standards Board  
File Reference No. 1102-100

Dear Chairman Herz,

You have the power to change the economy and impact my life personally. Therefore, I urge you not to mandate expensing of stock options.

I am currently employed at Cisco Systems, Inc. My family and I are thankful for the company stock option program. My only exercise of stock options came in the spring of 2000, when I exercised 300 shares for closing costs and expenses on our home.

Having stock options motivates me in the same way you would expect a small business owner to behave. Like many of my co-workers, we put in a tremendous amount of working hours to ensure our customers are completely satisfied with our products. Satisfied customers lead to repeat customers, and in turn increases the value of our company stock. When the time comes, I hope to exercise additional stock options to provide for my daughter's college education.

While I appreciate the scrutiny applied to corporate governance in light of recent events, stock options get too much blame and not enough credit. Stock options align **all** employees with shareholder interests. At my company, stock options include the rank-and-file employee. I am almost certain that a decision to mandate the expensing of stock options will end the stock option program at Cisco Systems, Inc. Employees would make career choices which could suppress our company's future growth.

In the interests of our shareholders, our company, and my family, Mr. Chairman, please do not mandate that stock options be expensed. I hope that you, too, can participate in a company stock option program.

Respectfully,

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