From:	Martin Becker [mbecker@cisco.com]
Sent:	Monday, April 19, 2004 6:40 PM
To:	Director - FASB
Subject:	Chairman Robert H. Herz, Stock Option Issue

Importance: High

Stock Option Issue
File Reference No. 1102-100

Hello,
I understand there is a draft plan to treat stock options as an corporate expense. I also understand that if
that plan is implemented it would be very difficult to continue broad-based employee stock option
programs like the one we currently have at the company I work at, Cisco Systems Inc,.

If I may, let me share a simple story.
Our company doesn't have the most competitive wages but it does offer stock options on a broad base
scale. This incentive weeds out people that don't believe in our company's culture and vision. It also
promotes hard work and dedication and seeing things through to the end, instead of just cashing a
paycheck.

Stock options have allowed my family to buy a house and donate to charities. If you were to implement
your plan, the company that I work at, my company, would be just another company that breeds
mediocrity.

Some parting thoughts,

- 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.
- U.S. companies needs stock options to compete with other countries on a global basis.
- 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'.

Do you fully understand the ramifications of what your plan will do?
Do you fully understand the families lives you will change for the worse if you implement your plan?
Please stop and think this through.

Thank you for your time,
-Marty

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