Letter of Comment No: 170
File Reference: 1102-100

Stacey Sutay

From: Robyn Aagesen (raagesen) [raagesen@cisco.com]
Sent: Monday, April 19, 2004 5:16 PM
To: Director - FASB
Subject: File Reference No. 1102-100, Employee Stock Option Programs

Dear Chairman Robert H. Herz,

I have come to understand that the board you chair, Financial Accounting Standards Board (FASB), has released a draft plan which indicates your intent to treat stock options as an expense. As an employee who benefits from my company's stock option offering as a way of building my ownership of the company, I respectfully request that you provide guidance for your board to reconsider. Part of my consideration for accepting employment with Cisco Systems, Inc. in January 2001, was due to their generous stock option offerings to non-senior executive staff within the corporation. As an individual contributor to the value Cisco creates for our shareholders, I appreciate Cisco's willingness to continue this employment benefit in the face of a freeze on wage increases and some hiring which has impacted all of the high technology sector these last few years. This benefit is one that I use to supplement my savings towards retirement, as well as look forward to using these funds - if matured positively - as a way to help me offset the cost of caretaker for my mother when she is no longer capable of managing increasing health cost and independent living. Eliminating this opportunity due to legislative action taken by your board and its recommendations would be a severe blow for myself and my family.

I consider this plan to be misguided in that it attempts to define requirements against an item which has not demonstrated to create harm to our economy. Quite the opposite is true, in fact, in that there will be a severe handicap placed on the growth of High Technology employment within the USA if your plan to require stock options be expensed is implemented.

Please reconsider your position in this matter.

Thank you,
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