

Letter of Comment No: 114
File Reference: 1102-100

Stacey Sutay

From: Jeff Lanser (jlanser) [jlanser@cisco.com]
Sent: Monday, April 19, 2004 4:32 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz -

It has come to my attention that the FASB is planning to recommend the expensing of options for publicly held companies. I wish to strongly discourage this action on your part and the part of your committee.

This action will have a negative effect on the very people you claim to be protecting - the shareholders of the company. The ability to own shares in a company is one of the greatest traditions in the history of our country and the options offered by Cisco Systems provide an opportunity that many of the employees might not otherwise be afforded. When employees share in the growth (or decrease) of the company in which they work, there is a much greater dedication and responsibility to that company. Why is Cisco Systems one of the top companies in this country? I believe stock options are a significant contributing factor! Employee ownership directly benefits all stock holders, not just the employees.

We must let the free market decide this issue, not the FASB. If investors do not want to invest in a company that provides employee stock options or they think it is "too risky", then let them invest their money in other ways. To this point in time, I think the investors have proven by their investments that they have faith in companies such as Cisco Systems - companies that offer company ownership as a benefit option.

I urge you to reconsider the expensing of options!

Sincerely,
Jeff Lanser

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