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From: Sent: To: Ron Poon [rpoon@cisco.com] Tuesday, April 20, 2004 9:08 PM Director - FASB

Cc: Subject: savestockoptions@cisco.com Please don't expense stock options

Dear Chairman Herz,

I'm writing to urge the FASB \*\*\*not\*\*\* to expense stock options. In this fragile phase as the U.S. economy is slowly crawling out of the bottom especially in the high tech industry, such a new policy will certainly suffocate the much-prolonged recovery.

Letter of Comment No: 770 File Reference: 1102-100

In terms of our daily life, where it will hurt most is employment. Here in the Silicon Valley, our jobless rate is in excess of 8%. High tech companies are not hiring in the face of low revenue and reduced customer expenditure. Expensing stock options will have a domino effect on the business chain. My son is out of job, and T personally know of at least a dozen relatives and friends in his unfortunate position. We hear about the U.S. off-shoring jobs. I don't know about other countries, but China uses stock options as a tool, and does not expense them.

I remember when the economy was on a roll four year ago, we couldn't hire enough engineers, who flocked to startups in the hope of cashing in on IPOs. When I was interviewing candidates at that time, my only counter- measure was that Cisco stock prices were appreciating respectfully, considering the company's stability. All that, of course, is now a sweet memory of the past. My point is that stock options are an integral part of the high tech business, and to expense them will thwart productivity and innovation.

We look forward to the time when startups and established companies are hiring again. Expensing stock options is putting a brake on an economy that is barely moving along. The new policy is definitely untimely, and we urge you to not implement it.

Sincerely yours,

Ron Poon, D.Sc. Engineer, Cisco Systems