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From:

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Sent:

Tuesday, April 20, 2004 8:49 PM

To:

Director - FASB

Cc:

savestockoptions@cisco.com

Subject:

Employee Stock Options

I urge to consider the negative effect of your proposal to expense stock options. Employee ownership is a highly effective way to increase

productivity and to give employees a direct connection to the goals of the company.

Companies which use stock options broadly have been shown to provide excellent shareholder return over the long term, which is when shareholder return can really be assessed. Expensing stock options makes the practice of wider use of ownership within a company extremely difficult and confusing to shareholders when comparing results with those companies who do not use stock options outside the executive ranks.

Letter of Comment No: 765 File Reference: 1102-100

Expensing stock options will have the effect of reducing employee share ownership and the benefits that this practice brings in terms of productivity and alignment with shareholder interests. In addition, it

will significantly reduce innovation and entrepreneurship, since they have been used very successfully to promote great economic return and quality of life for all involved.

On behalf of my family and friends I ask you to consider the effect of your proposal on the real people who it affects.