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From: Stephen Smith (stepsmi2) [stepsmi2@cisco.com]

Sent: Tuesday, April 20, 2004 5:36 PM

To: Director - FASB
Subject: File Reference No. 1102-100

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Dear Chairman Robert H. Herz,

I feel that Company Stock Options are a critical tool in leveraging company ownership to motivate individuals to be more frugal with company resources and more productive in their daily activities. By forcing companies to change the valuation of these options, they will be eliminated. These options should not be expensed up front because they do not use Company assets. Only when they are exercised do they need to be accounted for and anything in advance of that does not make sense.

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I feel that by forcing the changes in the way stock options are accounted for will force our technical companies to move more jobs off shore. They will not be able to compete for the talent and retain those individuals that have made them a global leader in those markets.

Sincerely,

Stephen K Smith