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Letter of Comment No: 5351  
File Reference: 1102-100

From: Pravir Patel [pravir@cisco.com]  
Sent: Thursday, June 24, 2004 3:17 PM  
To: Director - FASB  
Cc: savestockoptions@cisco.com  
Subject: File Reference No. 1102-100



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Dear Chairman Robert H. Herz

Following are my concerns about expensing STOCK OPTIONS the way you have proposed.

1. You have not identified any method to correctly expense them. You want companies to follow some accounting rule but the rule is not completely defined.
2. According to the two proposed method of expensing, how can you ask the company to expense unless an individual exercises his options. This is just crazy.
3. Do you know it will kill all the startups. The entrepreneurship in United States and this great country will be left behind in years to come. Start up companies used to give their employees Stock Options and made them part owners as the only incentive to join the company. You are going to kill leadership, innovation and job creation in today's economic environment. Why do you want to harm the economy.
4. This is a wrong way of controlling CEO's and CIO's which rob the company. Do not unnecessarily punish everybody because just few of the top executives are bad and FASB does not know how to control them. Create rules for the executives to follow and punish them if they are crooks, do not punish the employees(middle class workers) that are actually doing the work for a company.
5. FASB is going to kill our personal motivation by passing this as a law because companies will no longer give stock options and as a result we all affected will not be owning the company.

Hope you understand my concerns and make a good judgment of not punishing all because only few are guilty or bad. Also please consider the proposal CISCO SYSTEMS, Inc. has made in this regards.

regards  
Pravir  
972-813-5161