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Letter of Comment No:639 File Reference: 1102-100

From:

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Sent: Tu

Tuesday, April 20, 2004 10:53 AM

To:

Director - FASB

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Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I currently understand that a preliminary decision has been made by the board to expense stock options using an artificially inflated number that will negatively affect the way companies use these as motivation tools to attract/retain talent within our organizations. I do not claim to be a wizard on the politics behind this decision although I do claim to be an expert on the usage of stock options. Since my background did not allow me to complete a 4 year college, I struggled for years to work my way up with companies through very hard work and a lot of sweat to build up enough background so a major company would find my skills attractive enough to offer employment. Since stock options were made available to me, my wife has been able to resign from her position and stay at home and raise our children. Also, she has been able to volunteer 10 hours a week at our children's school and serve our community with the local American Cancer Society along with the local Service League. This free time will be lost if the decision is made to expense options and she will have to return to work.

Since joining Cisco Systems in 1999, I have lived through the roller coaster ride of the stock market and the accounting issues and I find it hard to believe that the board would make such a decision when we are finally seeing light at the end of the tunnel. If we are not careful, that light will be a train coming to stop innovation with companies such a Cisco due to the fact other countries will attract new talent and innovation in America will come to an end.

Technology has made available new resources to information that were just a dream a few years ago. Whoever thought we would have 100% connectivity with people all the time through various means of products. Personally, I now have the ability to have a video conversation with my children at night before they go to bed and this makes traveling not as bad as it was when I could not see them for weeks at a time. I stay in touch with old friends all the time using email and can stay connected almost anywhere through wireless communication.

These technologies were all made possible through innovation and from companies that had the most talented people. These people are driven by the challenges and the financial reward gained through various funding sources including stock options.

Please think carefully before making a final decision on the ruling to expense options and what technologies might not be invented due to the fact that the rewards are no longer available. Remember, technology is only scratching the surface of the medical field and who knows what kind of cures or treatments will be invented in the future.

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