Len Tatore

Letter of Comment No: 1339 File Reference: 1102-100

From:

Jeffrey J. Forhan [jforhan@cisco.com]

Sent:

Wednesday, April 21, 2004 6:33 PM

To:

Director - FASB

Cc:

savestockoptions@cisco.com

Subject:

File Reference No. 1102-100

Importance: High

Chairman Robert H. Herz,

I feel the FASBs position on employee stock options is a move in the wrong direction. While employed here at Cisco, the stock options have motivated my to do even more in my work. The incentive itself is a HUGE boost to moral, especially in the current economic environment.

Innovation and productivity WILL suffer if the expensing of stock options at an artificially high level (even at all) is put in place. No longer will employers be able to lure the best and the brightest to help move industry forward. The publicity the issue has had makes it almost impossible for any investor not to know that stock options are a way corporations do business and is a very important part of that business.

The prosperity the thousands of companies have had over the past 6 decades is testament enough that the stock option policies in place today have helped fuel innovation and can test the time of the next 6 decades.

Thank you, Jeffrey J. Forhan Cisco Systems, Inc.