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Letter of Comment No: 1497 File Reference: 1102-100

From:

Doug Purcell [dpurcell@cisco.com]

Sent:

Thursday, April 22, 2004 11:00 AM

To:

Director - FASB

Subject: Expensing Stock Options: File Reference No. 1102-100

Chairman Robert H. Herz,

I am sending you this email to voice my concern relative to the potential changes that are being proposed by FASB for expensing stock options. Please do not change the current process to one that mandates companies to expense stock options.

I've been working in the high technology space for almost twenty five years. Working for companies who provide very few options to those that are very generous in providing them has made an impact on my life. I made a very tough choice eight years ago to move from a very established company to an up and coming technology corporation. One of the deciding factors for me in accepting that opportunity was the stock option offering. Once I made the move it was obvious that I was surrounded by very creative people who are highly motivated to give 110% plus to ensure success of the overall company. This was clearly due to the substantial ownership that we all enjoyed through generous stock options. I believe that IF you follow through with your proposed changes that will mandate that companies expense stock options, that you will see some of this sense of ownership towards overall success subside. Personnally stock options have provided me the luxury to purchase vehicles and a new home for my family as well as funding private schooling that two of my sons have required over the past four years.

As a Manager, employee motivation, retention, and recruiting industry leading talent is highly leveraged by stock options. Our employees take a sense of ownership and pride in the company's success constantly relating their efforts to the corporations success and the net affect on our stock prices. I believe that by making the proposed changes, we may negatively affect some of these attributes of the many companies that offer stock options to the overall employee base

Sincerely, Doug Purcell