## Len Tatore

From: Surjit Binning (sbinning) [sbinning@cisco.com]

Sent: Wednesday, April 21, 2004 5:03 PM

To: Director - FASB

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

For Attention of: Chairman Robert H. Herz

Director, FASB

Dear Sir,

I am very disappointed at the FASB's intention to force companies to expense options. I want to share my view and strongly urge you to re-consider your plan. This will have a negative impact on my industry and my livelyhood as an amployee and a shareholder. I have worked in different industries prior to coming to Cisco. These other companies did not offer options. Let me tell you that options give you a feeling of ownership almost immediately and a continued incentive to improve. This is what drew me to Cisco and it is what the success of the Technical innovation engine is based on. Through hard work and pride of ownership I can see the fruit of my efforts reflected in the increase of wealth of my company and my own wealth though company ownership via stock options. Just think about it - do you look after a rented car as carefully as you do if it were your own. Do you make improvements to a rented house and have pride in it as opposed to one that you own? Off course not. It is the same with options. Options mean ownership and no options means rental.

Letter of Comment No: 1374

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If companies eliminate options, which appears to be the course that you are undoubtedly pushing these companies down, it de-motivates the employees since they no longer have ownership and don't feel part of the company. The result is that this will fuel even further the migration of jobs to those areas where such incentives are allowed as well as companies becoming non-competitive in the long run. You can also forget the start ups attracting people without the lure of options. Ownership of companies shouldn't be restricted to the handful at the top. FASB should be looking at the interests of the employees and the future of our industry. By so doing they are also looking after the interests of all of the shareholders including employee shareholders. I want to see my stock grow and I would like you to seriously reconsider and allow companies in our industry to continue to grant and report options as they have done up till now. I thank you in advance for your consideration.

Surjit Binning Senior Manager Cisco Systems Inc.