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From: Neal Mccann (nmccann) [nmccann@cisco.com]
Sent: Monday, April 26, 2004 10:13 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Please Do Not Force Expensing of Stock Options - File Reference No. 1102-100
Importance: High

RE: Please Do Not Force Expensing of Stock Options - File Reference No. 1102-100

Chairman Robert H. Herz,

I am an ordinary employee at Cisco Systems. I am not an executive, not even a manager and certainly not a millionaire. I test and ensure the quality of Cisco's security software. Stock options are a wonderful part of our compensation because they are directly related to success of the company. Every employee at Cisco has options and every employee looks at the value on a regular basis. Most of us are driven by the fact that individually and collectively, we can create our own reward by helping the company excel.

I personally look to my stock option balance now and hope for the day that I can get my family into a newer, more comfortable home. Down the road, I look to options to help pay towards a college education for my 2 children. Working harder on every project is clearly in my best interest AND in the company's best interest. As a result, this stock option incentive is clearly in the shareholder's best interest.

I have worked for a high-tech company that did not offer options in the past. There were a lot of people watching the clock there and many who hated their job but were riding it out for the paycheck. Foolishly, many of them did not believe that extra effort on their part had any impact on their job or their company. Sadly, the primary customer at that company was the US Government.

The way I see it, the true cost of the options to the company is dilution in earnings per share and that is realized when the options are exercised. Please do not take away stock options from common employees like me, by requiring companies to expense them.

Thank you in advance,

Neal McCann

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