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**From:** Jason Krebs [jkrebs@cisco.com]  
**Sent:** Monday, April 26, 2004 5:52 PM  
**To:** Director - FASB  
**Cc:** savestockoptions@cisco.com  
**Subject:** File Reference No. 1102-100

Chairman Robert H. Herz,

Stock Options should not be expensed for regular employees....I uprooted my family from Buffalo, NY to Raleigh, NC because of the opportunity to work for a great company like Cisco and the ownership they provided with stock options. I have not "gotten rich" by having the stock options, however, I give 200% every day because I am an "owner" so to speak.

\* The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.

\* Stock options do not meet the definition of an expense because they do not use company assets.

\* The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

\* U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)

\* Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Jason

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Jason P. Krebs

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