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Letter of Comment No: 1919
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From: David Doherty [davidd@cisco.com]
Sent: Monday, April 26, 2004 12:26 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Chairman Robert H. Herz - File Reference No. 1102-100



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Chairman Herz,

A decision regarding employee stock options is under consideration. As

an employee of Cisco Systems, Inc., I receive stock options as a benefit. The accrual of stock options was a major factor in considering employment at Cisco and is an ongoing motivator in contributing to the success of Cisco.

The stock options I accrue will help ensure a comfortable retirement for myself and my family. The options, in my opinion, continue to propel Cisco beyond that of most other companies both here and abroad. Eliminating this benefit would prove detrimental to the success of Cisco.

I believe that since options do not use company assets, accounting practices that would consider stock options as an expense is incorrect. Further, since the effect of issuing stock options dilutes the number of outstanding shares, the stock market itself already accounts for their value.

This decision is not considering the global impact; companies in other countries will continue to issue stock options as a motivator while American based companies are restricted from this vehicle that promotes innovation and job creation.

Please reconsider this decision as the effects will be dramatic.

David E. Doherty
Cisco Systems, Inc.