Stacey Sutay

From: Patrick Liu [patliu@cisco.com]
Sent: Saturday, June 12, 2004 10:18 AM
To: Director - FASB
Subject: Don't cost stock option

Letter of Comment No: 6527
File Reference: 1102-100

June 1, 2004

Mr. Robert H. Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Dear Chairman Herz:

We the undersigned respectfully request that the concerns of supporters of broad based employee stock option plans be carefully considered at the upcoming FASB roundtables on June 24th in Palo Alto, CA and on June 29th in Norwalk, CT.

We are writing to you on behalf of ourselves and the 14 million American workers who receive broad based employee stock options from our employers.

The hubs of innovation in America criss-cross this nation from small towns to large cities -- from the Research Triangle, NC, to Denver, CO, to Orange County, CA. Innovations and the small businesses that emerge from them are the backbone of American life and the foundation of our economic leadership. We are driven to grow small companies into large ones and to continue the cycle of innovation.

We don't just work for our companies: we own part of them. We are driven to work hard and to innovate because we know that when our companies do well, we do too.

We believe the Financial Accounting Standards Board (FASB) proposal to expense employee stock options could have a huge detrimental impact on our companies and our futures. It will also have a negative impact on the drive to innovate, on the U.S. economy, and on U.S. competitiveness.

The goal should be to provide accurate and transparent financial information to investors - including us - while also preserving broad based employee stock option plans.

We encourage you to take more time to listen to employee-investors and others and to field test any new accounting proposal to make sure it won't do more harm than good.

Sincerely,

Patrick Liu
Cisco Systems