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Letter of Comment No: 1170 File Reference: 1102-100

From: Tony (

Tony Cyphers [tcyphers@cisco.com]

Sent: To: Wednesday, April 21, 2004 4:32 AM Director - FASB

Subject: Expensing Stock Options

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Dear Chairman Robert H. Herz,

I am an employee at Cisco Systems, Inc. Regretably, I have heard that it is the intent of the FASB to begin treating stock options as an expense.

Once more, the old axiom, "There isn't anything government can't mess up," rings true.

In an economic arena when profit levels are at their most challenging for American companies, the FASB is opting to place an additional burden on them, by forcing those companies to expense options.

Options are used to provide an incentive for employees to increase productivity. By forcing American companies to expense options, the FASB has inadvertently put America at a competitive disadvantage with international firms from countries that do not place this restrictive requirement on *their* work force.

But, to me...the most important is my own special interest. By working hard for a company that gave out stock options as a reward for my hard work, I had the opportunity to fulfill the American dream of acquiring wealth for myself and my family.

By forcing the company I work for to expense options, you have significantly increased the difficulty of me acquiring wealth, and you have in essence wiped out the hard work I have performed thus far to be granted stock options as a reward. As a government entity, your duty is to help American citizens instead of hinder and harm them.

After all I have read on the subject, there is nothing that can convince me, that by expensing options, American citizens, company stockholders, or the government will realize any long-term benefit.

I urge you to reconsider your intention to force American companies to start expensing options.

Sincerely, Tony Cyphers