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**Letter of Comment No: 1164**  
**File Reference: 1102-100**

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**From:** Mary Mazon [mmazon@cisco.com]  
**Sent:** Wednesday, April 21, 2004 10:28 AM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Attention: Chairman Robert H. Herz

I oppose the expensing of broad-based employee stock option programs. From the perspective of financial self-interest, a portion of my compensation at Cisco is in the form of options. These options represent my future hopes of sending my kids to college.

As a Cisco Systems employee, stock options also represent my ownership, and Cisco's commitment to me. It motivates me to participate in all areas of the company, not just my sphere of influence within my job role. Organization structure, safety and security, recycling programs, philanthropic causes, cross functional teams to leverage and build core strength within Cisco. I could go on and on.

In addition, under general accounting principles:

- 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.

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