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From: John Donoghue [jdonoghue@cisco.com]
Sent: Wednesday, April 21, 2004 8:09 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 1163
File Reference: 1102-100

Chairman Robert H. Herz,

I am writing to ask that you not treat stock options as an expense. Stock options for me are the path to a comfortable retirement or perhaps a way to pay for my children's education. It is the common man's way to have a chance at achieving uncommon financial gain.

It has been said many times before but I truly believe that stock options are a way for the employee to have ownership of the company. It imparts a sense of responsibility on every employee. I know it does here at Cisco.

Please reconsider this stance. I know the intent may be to get at the CEOs of the world and their millions of options so that they can be taxed for that income. However I believe that the outcome will be to hurt plain old workers like myself.

Regards,

John