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Letter of Comment No:846 File Reference: 1102-100

From: Sent: Diantha Pinner [dpinner@cisco.com] Tuesday, April 20, 2004 3:06 PM

To: Subject: Director - FASB Expensing Stock Options, File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am writing to voice my concerns about FASB's plan for expensing stock options and to urge you not to require that options be expensed for several reasons:

- 1) Options are not an expense, because they do not use corporate assets.
- 2) Options are already accounted for in diluted earnings per share estimates when they are exercised.
- 3) Options have no value until they are exercised, and they aren't exercisable until they vest.
- 4) The proposed methods of calculating value would provide erroneous data.

My company grants options to all employees who are performing well, not just to executives. These option grants have not only motivated me to perform my best, but have given me a sense of ownership and personal responsibility for the financial decisions I make in my work. Ultimately, these daily decisions benefit all of my company's shareholders. Option grants have also given my family the financial confidence in our future to adopt three children.

For these reasons, please take the time to study this issue further and find a way to provide clarity of information for investors that will not, in effect, penalize broad-based option plans.

Thank you.

Best regards, Diantha Pinner MarComm Manager Public Sector Campaign Management & Integration

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