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Sent: Monday, May 10, 2004 8:49 AM To: Director - FASB

Cc: fedorkow@ieee.org

Subject: Opposition to Expensing of Stock Options

File Reference No. 1102-100, Att'n Chairman Robert H. Herz

Dear Sirs,

I would like to register my opinion opposing rule changes that would "expense" stock options.

I work for Cisco Systems as an engineer. Within Cisco, it's clear that stock options have been a powerful tool to motivate productivity, providing a clear incentive for almost every

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employee of the company to work for the benefit of all. It seems clear that broad-based employee stock options will come to an end if they must be expensed at the time of grant.

Further, it seems that the last several years of stock market performance would demonstrate that it's simply impossible to value the options at the time of grant. Many of us hold options that will likely expire long before the stock returns to the price at which the options were granted.

Senior Cisco executives are often quoted as being willing to accept additional regulation of options for the top echelon of the company, if that preserves the benefits of options for the majority of employees.

If "something must be done" please consider making it something that doesn't destroy this benefit for ordinary high-tech workers in companies like Cisco.

Thanks, Guy Fedorkow 20 Overlook Drive Bedford, MA.