ikon

Letter of Comment No: 1038

File Reference: 1102-100

From: Bill Marozas (bmarozas) [bmarozas@cisco.com]

Sent: Tuesday, April 20, 2004 1:02 PM

To: Director - FASB

Subject: Chairman Robert H. Herz: File Reference No. 1102-100

Chairman Herz,

Requiring companies like Cisco to "value and expense" stock options makes no sense to me. They are already fully disclosed in footnotes to earnings statements, and are accounted for in EPS dilution.

Moving to require this accounting treatment seems to me to be throwing the baby out with the bathwater. Corporate scandals have provided examples of abuse - no doubt. But rather than destroying a valuable incentive tool for American companies, we would tie their hands as foreign competitors leverage the very same tools to motivate their workforce.

My \$.02. Please reconsider this decision, as it will unfairly restrict companies like Cisco from competing in the free market, and remove a tremendous creator of wealth for hard working, middle class families like mine.

Best.

Bill

Bill Marozas Sr. Manager, Engineering Operations

Cisco Systems, Inc.

■ bmarozas@cisco.com

2 408.526.4354