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Letter of Comment No: 772
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From: Ashok Thirunarayanan [ashokt@cisco.com]
Sent: Tuesday, April 20, 2004 9:17 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Stock Options



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Chairman Robert H. Herz,

The Silicon Valley is known for its innovation in technology. In my opinion, there are 2 factors that drive it; one is the passion to innovate and deliver the best products, the other is the monetary benefits that come out of it. It is no secret that the monetary benefits are as a result of stock options. Stock options provide a mechanism for innovators to reap the rewards for changing the way we live, work & play.

I am an engineer and stock options are a great motivator for me. I feel the need to work harder and be more productive since the future of the company is so closely tied to my financial future. It is human nature to care for your known and there is nothing else that can make an employee feel like the owner of a company than stock options. Removing this important instrument from the portfolio of companies to motivate employees will have an adverse affect on the productivity and earnings of a company than the ill effects of not being expensed.

I request you to kindly reconsider your recommendations as you could be killing the hopes and aspirations of thousands of people like me.

Thanks,

Ashok