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Letter of Comment No: 2523 File Reference: 1102-100

From: Tim Murray (timurray) [timurray@cisco.com]

Sent: Wednesday, May 19, 2004 3:18 PM

To: Director - FASB

Subject: please do not force companies to expense stock options

Stock Options have been a very important part of life at Cisco.

Through all the frustrating days at work, difficult account situations, etc., the stock option offering has been top of mind on reasons to stay and keep working hard at Cisco.

Stock options allow me to own a part of my company. This goes way beyond what I could do by purchasing stock myself. I help my company succeed, stock price goes up, my "part" of the company is worth more.

They have helped my family financially. We have been able to use part of the option exercises to make down payment on our house as well as help purchase automobiles (Ford truck and Nissan Pathfinders, nothing fancy) with cash instead of increasing our debt.

In addition to these points, stock options have been a recruiting tool. People want to come to Cisco and take part is this program. The same people who are at companies today that don't offer such a programs. They definitely have a different attitude about their "ownership" in their company. They see themselves as nothing more than employees. They don't care about their company's success.

I would ask that you please keep these kinds of things in mind as you consider forcing companies to expense these options. I know that most or all of our future options will go away if Cisco is forced to expense them.

Tim Murray