Stacey Sutay

Letter of Comment No: 413 File Reference: 1102-100

From: Sasson, Moody [msasson@cisco.com]

Sent: Monday, April 19, 2004 7:36 PM

To: Director - FASB

Subject: to "Chairman Robert H. Herz," Reference No. 1102-100

Dear Chairman Robert H. Herz.

My name is Mordechai Sasson and I am a regular employee at Cisco Systems. I learned that there is a proposal to treat stock options as an expense. As I understand this will have direct effect on my company stock option plan. I would like to point out a few significant issues regarding the stock options plan:

- 1. Stock options are a valuable financial resource that maybe a substantial building block in one's path towards achieving basic goals such as owning a home, college savings or building financial security. Speaking for myself I can say that as a Silicon Valley resident who is currently renting a house, buying a house in this very expensive area seems a very far goal (maybe not even reachable ...). Hurting the stock options plan merely pushes this goal even farther.
- 2. Stock options plan constitutes a key element in building a worker's motivation and for aligning personal goals with corporate goals. I believe that in today's global environment/competition in general and in the technology field in particular our competitiveness can not be compromised. I believe that taking away or hurting this significant incentive will result in reduced motivation and therefore reduced competitiveness.
- 3. I think that personal profit from stock options is a right way for a person to benefit from company success after having spent effort and applied talent for contributing to the company's success.

Thanks for considering this message, Mordechai Sasson, Cisco Systems.