Letter of Comment No: 1576

File Reference: 1102-100

## Len Tatore

From: Farah Rouhanizadeh [farahz@cisco.com]

Sent: Friday, April 23, 2004 2:46 AM

To: Director - FASB

Subject: File Reference No. 1102-100

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Dear Chairman Robert H.Herz.

I am writing you to kindly urge you <u>NOT</u> to require companies to expense stock options, especially at an unrealistically high valuation(s) you are considering to propose.

In my personal case, my stock options at Cisco Systems have enabled me to accomplish the following:

- -Support my elderly parents whose retirement income is not adequate for their needs
- -Support my cousin with part of her higher education financial needs
- -Pay down-payment for a house for my younger sister and me
- -Acquire two cars and many other consumer products during the past 8 years

Without the ownership in the company in form of stock options, I, like millions of other employee owners of companies across the US, neither would have been motivated to work 70-hour weeks to grow my company

to where it is now, nor consequently would have been able to raise my family's standard of living while at the same time contributing to the region's and the US-- economy by spending the proceeds from sale of

stock options.

In my option, stock options should not be expensed as the true cost of a stock option is dilution of earnings

per share (EPS) and is already accounted for when options are exercised.

Thank you for your re-consideration of the proposed changes in FASB rules.

Regards,

Farah Rouhanizadeh Cisco Systems Inc,