ikon

Letter of Comment No: 1885 File Reference: 1102-100

From: Robyn Steele [rosteele@cisco.com]
Sent: Saturday, April 24, 2004 10:54 AM

To: Director - FASB

Subject: RE: File 1102-100, Stock Options Expensing

## Dear Mr Herz:

I am writing to you regarding the pending FASB released draft plan stating they intend to treat stock options as an expense. I am urging the FASB **not** to require the expensing of stock options, as they will negatively impact me, my family and my coworkers.

The availability of stock options has clearly influenced my decision to work in the high tech industry. Having 20 plus years of experience in this industry, my career choices have been guided by the ability to actively participate in the goals and success of each company via the availability of stock options. Over that period of time I have worked with three different high tech companies and have spent the last seven years with Cisco Systems. At Cisco Systems, stock options are granted to all full-time employees and the majority of shares are granted to non-executives. Stock options have aligned my pay and incentives with that of all shareholders, executives and my own family objectives. These stock options have assisted me in achieving the financial goals my family has set such buying a house, saving for college for my two kids and planning for retirement.

With the proposed changes in how US based companies treat stock options, it will only be a matter of time when all innovation, technological advances and productivity will be found in companies outside of the US. Businesses found in countries, such as China, that do not require the expensing of stock options will have a significant advantage over US based companies. I urge you and other decision makers to not treat stock options as an expense. Allow non-executives to continue to be aligned with executives and shareholders to drive overall shareholder value.

Thanks your for your time,

Regards,

Robyn Steele Cisco Systems, Inc.