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From: Shane Corbett [scorbett@cisco.com]
Sent: Friday, April 23, 2004 4:52 PM
To: Director - FASB
Subject: File Reference No. 1102-100, addressed to Chairman Robert H. Herz

Letter of Comment No: 1853
File Reference: 1102-100

Chairman Herz,
Our company is currently lobbying very hard to kill expensing stock options. The rallying cry that is being used is "It will hurt you the little guy". This tactic has been very successful and I feel it has put in jeopardy this important piece of legislation. I believe our company is a great example of the problem with options discussed in the Maureen Tuthill document found at http://www.fsa.org/resources/corpgov/afl.pdf.

According to Reuters...
"In fiscal 2002, Chambers received a salary of $1 and no bonus amid a spending slump by corporate customers. He received 4 million stock options with exercise prices of $16.01 and $20.53 a share"

An option sale on the 13th of November 2003 shows that options of this magnitude, put salary levels of corporate officers at an outrageously high levels.

2003-11-13	1,637,456	CSCO	Sale at $22.53 - $22.74 per share. (Proceeds of about $37,064,000)
2003-11-13	362,544	CSCO	Sale at $22.50 - $22.596 per share. (Proceeds of about $8,175,000)

I believe the legislation is on the right track, however in order to "save stock opinions". Perhaps a compromise is in order. Why not expense the top 20 option grants? This could stop the abuse of the stock option system, while protecting workers.

Kindest Regards,
Shane Corbett