Letter of Comment No: 330 File Reference: 1102-100

Stacey Sutay

From: Jill Shapiro (jshapiro) [jshapiro@cisco.com]

Sent: Mo

Monday, April 19, 2004 6:10 PM

To: Director - FASB
Cc: Jill Shapiro

Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I am writing to urge you NOT to expense stock options. Not only would this measure unmotivate people, it would also put U.S.-based companies in a terrible position the the competitive landscape.

Personally, stock options are one of the key motivators for me to continue to exceed at my job. As a shareholder, I have a vested interest in helping my company succeed. This goes beyond getting a promotion or a raise; as a shareholder, if my company does well, I'll do well.

My options have helped me in numerous ways. Options helped my fiancée and I buy our first condo. Options are helping us to pay for our upcoming wedding as well.

Also note the strong impact this will have across the board:

- The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool
 which has driven innovation and productivity.
- Stock options do not meet the definition of an expense because they do not use company assets.
- The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when
 options are exercised.
- U.S. companies needs stock options to compete with other countries on a global basis. (Example: Chinese
 companies use stock options and they do not treat them as an expense.)
- Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

If you must expense stock options please don't do so at an unrealistically high valuation.

Sincerely,
Jill Shapiro
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