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Letter of Comment No: 2985
File Reference: 1102-100

From: James Hersey [jhersey@cisco.com]
Sent: Wednesday, June 02, 2004 11:34 AM
To: Director - FASB
Subject: File Reference No. 1102-100



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Chairman Robert H. Herz,

I'm writing to request that the Financial Accounting Standards Board not expense stock options. Since the FASB will require artificially high stock option values this will deter employee ownership and reduce the real innovation that's driving our economy's high-tech sector. Stock options incent employees to have a sense of real ownership and accountability. This drives productivity and makes US companies much more competitive in global markets. Removing this incentive or lowering its impact will have a negative impact to individuals, companies and ultimately our economy. The last two companies I've worked for have both offered incentive stock option and employee stock purchase plan programs. Stock options are one of the highest metrics in determining where I will work and ultimately influenced my decision to work at Cisco. Stock options more than any other single attribute allow me to see myself as a partial owner of my company. This significantly increases my accountability to Cisco and take a more active and responsible role in my position as an employee.

Additionally, stock options have offered me and my family the ability to own our home, create college savings funds for our children, allow our parents to live with us, experience real financial freedom and give many funds to the poor and needy. I respectfully request that you reconsider any move to expense stock options.

Sincerely,
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