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Letter of Comment No: 76 b File Reference: 1102-100

From: S

Scott Ryan [scryan@cisco.com]
Tuesday, April 20, 2004 8:57 PM

Sent: To:

Director - FASB

Subject: Please Do Not Expense Options

With the increase threat of international competition in the high tech sector, how does the United States
Government plan to support technology companies that reside in the United States if they take away the companies
ability to provide flexible ways to create incentives to employees if stock options are expensed? United States
based companies needs stock options to compete with other countries on a global basis. Chinese companies use stock
options and they do not treat them as an expense. I am worried that the true cost of stock options would dilute earnings
per share and is currently accounted for when options are exercised.

Stock options personally help provide me a direct incentive to strive to work hard to make a company like Cisco successful.

Please do not Expense Options. I think Stock Options are something that still help to promote growth in our US based companies.

Sincerely, Scott Ryan