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Sent: Tuesday, April 20, 2004 2:06 PM

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: File Reference No. 1102-100

Dear Chairman Robert II. Herz,

I came to know that the Financial Accounting Standards Board (FASB) released a draft plan stating that you intend to treat stock options as an expense. I am writting to you to urge you NOT to pass the "plan". As a stockholder of the company I work for, I truely feel my effort on my job is impacting the performance of my company in turn it is impacting my financial status and how much I can bring back home to raise my kids and families. It motivates me. And I know I am not the only one feels that way. All of the colleagues I talked to feel the same way. We feel the sense of involvement, responsibilities of the company's future. It motivates us to do a better job at work. It's good for us as employees, good for the company, good for the state, good for the country that everyone is doing a better job that everyone cares more. I know there are numerous accounting scandals going around, but please don't punish good decent working families because of bad behaviours from relatively small group of "bad guys". Have we thought about the negative spins this "plan" will bring to our economy overall? I would hate to see to kill the goose just to get the golden egg.

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Just to sum it up. The messages I am trying to communicate to you Chairman Herz are:

Accounting Issues:

- 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.

Competition:

- U.S. companies need 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'.

Again, I urge you NOT to pass the "plan" and I truely hope you consider our messages.

Thank you very much,

Dani

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