Letter of Comment No: 1355 File Reference: 1102-100

## Len Tatore

From: Joe Martin [joemar@cisco.com]

Sent: Wednesday, April 21, 2004 4:13 PM

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: Stock options as Expense

## Chairman Robert H. Herz.

I am a U.S. employee at Cisco Systems, Inc. One of the main reasons I came to Cisco was to work in an exciting and fast paced environment based on innovation and high productivity. One of the ways that Cisco has attracted like minded folks was through employee stock options. These options give us a strong driver to accomplish these goals and as such, raise the stock price. Making companies like Cisco expense employee stock options will make it financially impractical for them to continue this practice. In the global economy where companies outside the U.S. can offer the stock options without expensing them will give them a leg up on us. It doesn't make sense to me to expense these options as they are not truly a company asset and they do affect the corporation through earnings per share dilution. This EPS dilution is also accounted for when the options are exercised.

Thank you for taking the time to read my opinions. I feel it is critical that the U.S. not hamstring itself in this new economy. Again, please do NOT force U.S. corporations to expense stock options.

## Sincerely,

Joe Martin

Joe Martin
CCNP R/S+Voice+Security+ATM, CCDP, CCIE R/S #5917
Consulting Systems Engineer
Cisco Systems, Inc.
500 108th AVE NE
Suite 400
Bellevue, WA. 98004
425-468-1015 Office
206-890-1726 Cell
425-468-0896 Fax
joemar@cisco.com
http://www.cisco.com