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From: Phylis Hawkins [phawkins@cisco.com]

Letter of Comment No: /926
File Reference: 1102-100

Sent: Monday, April 26, 2004 9:31 AM

To: Director - FASB

Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am writing you urge the FASB not to expense stock options, especially at an unrealistically high valuation.

I am a single professional woman and have used my stock options to keep my elderly father independent and living in his own home. Being able to stay in his own home has helped his heath and outlook towards life.

Additionally, my stock options have allowed me to participate in the American dream of owning my own modest little home.

Stock options are a key motivating factor for those of us who work in high tech. I spend a lot of time traveling and working ridiculous hours, but my stock options help me, as an employee, feel that my time and dedication is valued.

I am not sure how the FASB can count stock options as an expense. They do use company assets to purchase and therefore do not qualify as an expense. Additionally the true cost of a stock option is via dilution of earnings per share and is already accounted for when options are exercised.

So again, I ask you to consider the harm that this type of change will have on the workers who rely on their options to support their family and create a better life for their loved ones. And I urge you not to expense stock options.

Thank you Phylis Hawkins

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