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Letter of Comment No: 795
File Reference: 1102-100

From: Shahrouz Jahanshahi (sjahansh) [sjahansh@cisco.com]
Sent: Tuesday, April 20, 2004 11:17 PM
To: Director - FASB
Subject: Request Not To Expense Stock Options - File Reference No. 1102-100

Dear Chairman Robert H. Herz:

I am writing this to you in reference to File No. 1102-100. I am respectfully requesting and urging you to consider not expensing the stock options granted to employees.

I have been an employee of Cisco Systems for over 4 ½ years. I started working at Cisco Systems at the age of 41 with no savings or outlook for the future or retirement. I was not even considering having a family knowing that their future will not be bright with the economic situation that I was experiencing no matter how hard I worked. However, all of that has changed from the minute that I was hired by Cisco Systems. I was granted stock options as a sign in bonus, and every year thereafter was granted additional shares based upon my performance. Now, I have a 10 month old son, a home of my own, and sleeping thru the night knowing that I will be able to provide for my family and a good education for my son. This dramatic change in my life is due to my employer and the stock options that were granted to me.

Employee stock options make me feel like I have a stake in the success of the company, and they motivate me to work harder. I believe that if companies are forced to expense all employee stock options, my company will no longer be able to grant them to the majority of employees. This would negatively impact morale, productivity and innovation.

I am respectfully requesting you to not push forward this draft ruling to expense stock options.

Thank you for your attention and cooperation.

Respectfully yours,
Shahrouz Jahanshahi

Shahrouz Jahanshahi
Systems Engineer
Cisco Systems
(310)966-2507
email: sjahansh@cisco.com

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