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Letter of Comment No: 1488
File Reference: 1102-100

From: Ray Sellars (rsellars) [rsellars@cisco.com]
Sent: Thursday, April 22, 2004 10:37 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz

Dear Mr. Chairman,

I would like to take this opportunity to comment on the FASB proposed intention of having stock options treated as an expense to my company. If this proposal is passed, it would create a travesty not only for the employees within our company but companies across the country. The ability to have the stock option offering, leads to increased productivity, a sense of ownership resulting in overwhelming pride in being an integral part of the company, not just an employee.

If the FASB passes this proposal, it will essentially eliminate a company's ability to offer this essential incentive to their employees.

In my case, stock options is another avenue to preparing for retirement, provides that extra financial backing for my family, and also provides that extra incentive to be a real partner in my company. The company stock options have Given me a different feeling towards my job, it's not just going to work and drawing a paycheck (haven't received a pay raise in two years, due to the economy), it makes me strive to make the company profitable so we can all share and be proud of what we have accomplished.

I strongly urge the FASB not to approve the expensing of the employee stock options, in doing so would would have a definite impact on workers across the country.

Sincerely,
Ray Sellars
Cisco Systems, Inc.