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From: Brian Mc Millan [brmcmill@cisco.com]
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To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 547
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Chairman Robert H. Herz,

I am writing this to discuss the issue of the possible Expensing of Stock Options. I have worked for Cisco Systems for over 4 years and I feel that the Stock Option program is one of the keys to my financial future. When I worked for previous companies only the few executives at the top had the chance to benefit from stock options while the rest of the workers contributions weren't recognized.

Working at Cisco I realize that my contributions are recognized in several ways. First the number of shares I receive in the stock option program recognizes my contributions internally. Second individuals and organizations purchase Cisco stock because they see the value the company brings in profits and products. Because of this value people who purchase our stock indirectly recognize the contribution I make at Cisco.

I struggle with the idea of making stock options an Expense. I also struggle with how you can value something that has relatively no value until it is exercised? I also struggle with the idea that they are an expense. How can something be an expense when it doesn't affect an asset? Are we developing new accounting rules on what constitutes an expense? My understanding is that a stock option only affects Earnings Per Share.

I believe that you need to find that expensing stock options is not the correct solution to resolve the problem you believe exists. I think that you need to find the correct tool, not just any tool to resolve this issue correctly.

Without stock options I feel high tech companies are going to be impacted by not being able to recruit good people and to be able to compensate them for their contributions.

Thank You,

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