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Letter of Comment No: 691
File Reference: 1102-100

From: Marnie Willhoft [mwillhof@cisco.com]
Sent: Tuesday, April 20, 2004 5:14 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Proposed Expensing of Stock Options
Importance: High

Dear Chairman Robert H. Herz,

My name is Marnie L. Willhoft and I am writing to you to voice my opinion and strongly urge you **not** to expense stock options, especially at an unrealistically high valuation.

The opportunity to obtain/earn stock options has always been a personal motivating factor and has continually provoked/sustained my commitment to maintaining a high standard of work performance and ethics. As a Cisco Employee, we all contribute to Cisco's success through hours of hard work and dedication and we should all benefit when our company is successful.

The true cost of a stock options is dilution of earnings per share (EPS) and is already accounted for when options are exercised. In addition, stock options **do not** meet the definition of an expense because they **do not** use company assets. Therefore they should **not** be expensed.

Stock options have made it possible for me to feed my family and avoid financial devastation in times of need. Stock options helped me financially care for my Mother for many years when she no longer could due to illness. If it were not for stock options, I would have been forced to turn to State/Government organizations to request financial assistance to care for her.

Today I'm using my stock options as a means to save for my daughter's college tuition and also for my retirement.

Bottom line, stock options provide me with a little peace of mind knowing that because my co-workers and I all work with intentness and unmitigated determination to have a hand in making Cisco a success, our efforts will be rewarded in the form of stock option grants.

Without the choice/benefit of having stock options it is eminent that more undue hardship will be placed on the shoulders of all hard-working Americans.

Again, I am urging you not to expense stock options.

Thank you for your time,

Marnie L. Willhoft

4/21/2004