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File Reference: 1102-100

From: Jean Honey [jhoney@cisco.com]
Sent: Monday, April 26, 2004 11:27 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

Please do not expense stock options, particularly at high valuation levels. Stock options are the one of the few, if not only, means for non-business owners to feel they have a stake in the American Dream. Although I have not exercised stock options at Cisco yet, I have with companies where I was formerly employed. I was able to use those funds to purchase a new car and expand my retirement nest egg. My husband, who is employed in the healthcare industry has funded our daughter's future college education and added to our retirement funds too. Expensing stock options hurts not only the technology industry but other industries that seek bright talent to drive innovation and productivity.

Expensing stock options at high valuation levels will affect our competitive advantage globally. Chinese companies for example, use stock options to drive productivity but do not treat them as an expense. Removing this incentive in America could impact our technical leadership, innovation and job creation. Please, do not choose this path.

Warm Regards,

Jean Honey

4/27/2004