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Letter of Comment No:2283
File Reference: 1102-100

From: Glenn Oba [goba@cisco.com]
Sent: Monday, May 10, 2004 3:19 PM
To: Director - FASB
Subject: File Reference No. 1102-100

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Dear Chairman Robert H. Herz,

I am currently and employee with in the Silicon Valley and am writing this letter to express my disappointment that the Financial Accounting Standards Board (FASB) had released a draft plan stating that they intend to treat stock options as an expense.

I have many reservations on this. The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity here in the Silicon Valley for the past decade. Stock options do not meet the definition of an expense because they do not use company assets, plus the simple fact that the true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

The U.S. companies need stock options to compete with other countries on a global basis. Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

The difference between workers who receive employee stock options and those that don't is a lot like the difference between owning a home and renting one. The mind sets are totally different when you own a home, it is a reflection of you - from the basement to the attic, you want everything to be perfect. When you rent, you just want to make sure that you get the security deposit back.

Please reconsider this action.

Regards,

Glenn Oba