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From: Helen Cui [hcui@cisco.com]

Sent: Wednesday, June 30, 2004 3:36 PM

To: Director - FASB

Subject: File Reference No. 1102-100

hcui@cisco.com

Dear Chairman Robert H. Herz,

I'm writing this email to you in regarding to File Reference No. 1102-100.

Please DO NOT expense stock options, especially at an unrealistically high valuation.

By giving employees stock options, it increases productivity and boost shareholder returns. Expansing stock options, will hurt the economy, the US leadership in high tech and millions of hardworking people's life and their children's future.

I have personally seen the motivating effects of employee stock option programs. Owning options makes me feel like I have a real stake in the success of my company and increases my dedication and long-term commitment to my work. I worked for several different companies, both US and non-US companies. Offering stock options to employees is one of the major successful attractions most U.S. high-tech companies distinguish themselves from their counter foreign companies. It's really helps to attract talented employees to work hard for the companies success, which in turn will make the U.S. economy more competitive in the world. Cisco is the company I'm currently with, and it's the longest time I'ven been with comparing with other companies. Why? The major reason is we have great stock option program, which rewards and retains employees.

My daughter is a hardworking student and she's doing excellent in school. She dreams to enter college like Harvard, MIT, etc. However, with current \$40K (after tax)per year tuition and jumps year by year. By the time she can go to college, her dream will probably not come true without help of our great Cisco stock option program.

Stock option programs are also good for shareholders because employees are rewarded only if the stock value increases. Even when my options are "underwater", I feel very personally tied to the success of my company.

I believe that the mandatory expensing of stock options would mean that they would no longer be offered to most employees. Many technology companies grant options to the vast majority - and often to 100 percent - of their employees. If options are required to be treated the same as a cash expense, companies would drastically reduce the number of people who receive options, probably restricting them to the most senior executives.

Letter of Comment No: 5771

File Reference: 1102-100

Thank you for your time and consideration.

Sincerely,

Helen Cui 1414 Massachusetts Ave. Boxborough, MA 01719