

**Stacey Sutay**

---

**Letter of Comment No: // /**  
**File Reference: 1102-100**

**From:** Ann Harrison [aharrison@cisco.com]  
**Sent:** Monday, April 19, 2004 4:30 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100 - stock option expensing

Dear Chairman Robert H. Herz,

I am writing to urge you not to proceed with the expensing of stock options. As a shareholder in my company this change would negatively impact me and my financial situation.

I believe that this change hurts the individual contributors at a company. The high valuation of stock options that is required by the FASB will eliminate stock options as a reward/motivator for employee performance. My understanding is that stock options do not meet the definition of an expense because they do not use company assets. This should be another consideration, especially when it negatively impacts employees. One last point that must be considered is that global companies, such as mine, cannot compete with companies from other countries who do not follow this particular practice. This must be considered in our global economy.

I am very distressed that this change might be made. Please hear my points and consider the employees that will be affected by this.

Thank you.

Ann Harrison