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Letter of Comment No: 731
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From: Eric M. Trehus [etrehus@cisco.com]
Sent: Tuesday, April 20, 2004 6:48 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100, addressed to "Chairman Robert H. Herz,"

Dear Sir,

Stock options are a valuable tool that employers use to attract and retain valuable employees. I am motivated to not waste company resources and embrace corporate frugality. I also remain faithfully employed even during unpleasent times in a large part due to the prospect that the stock options offer. I've been employed at Cisco Systems for over 8 years. One of the reasons for such a long tenure in this industry is the compensation component of stock option grants. Without it I would likely find a more fun place to work that pays as well. It is in my best interest to do everything I can to make the stock price go higher. As such, my interestes are aligned with shareholder interests.

Having the stock options during the economic down turn (still worth something) provided me with the confidence to not change spending. In fact I spent a great deal of savings on home improvements that I would not have done without the stock options. I helped the economy recover only because of the confidence the stock options provided. Imagine how many others made similar decisions and the positive economic impact that has been made.

My employer informs me that acceptance of the draft plan would make it very difficult to continue broad-based employee stock option programs. This statement says to me that there is a possible reduction in my compensation forthcoming if the FASB plan is accepted. Please do not accept this plan!

Thank you for your time,

Eric M. Trehus