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Letter of Comment No: 1604
File Reference: 1102-100

From: Mari Guerra [mguerra@cisco.com]
Sent: Friday, April 23, 2004 10:22 AM
To: Director - FASB
Subject: File Reference No. 1102-100 - Expensing Stock Options

Dear Chairman Robert H. Herz,

I am writing you in regards to the File Reference NO. 1102-100 pertaining to treating stock options as an expense. This would hurt U.S. companies ability to remain competitive in a global market at a time when we need to support U.S. business not hinder them. I have outlined a few points below:

Competition:

- U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.)
- 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 .

Having spent 6 years with public companies that have a stock option plan I have seen first hand the importance of stock options. From a personal standpoint they are a huge part of how I support and plan to support my future goals. From a corporate standpoint they provide a great means to motivate employees to work harder for both the companies and the shareholders common goals. I urge you to NOT expense stock options.

Sincerely,
Mari Guerra

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