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Letter of Comment No: 785
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From: Dart West (dartwest) [dartwest@cisco.com]
Sent: Tuesday, April 20, 2004 10:09 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: Please don't ruin my retirement

Chairman Herz

I am an individual contributor working for Cisco Systems. As a baby boomer of moderate means much of my retirement depends on the generous stock options my employer provides for me. The majority of Cisco employees receive stock as an incentive to be more productive and watch our expenses. I believe that artificially high valuation for a stock option required by FASB will make options cost prohibitive. Stock options do not meet the definition of an expense as I understand it since they do not use company assets. A stock options true cost is dilution of earnings per share and is already accounted for when options are exercised. One of our countries major problems is how to compete with other countries such as China who's labor cost is lower. We are only able to compete if we can be many times more productive than they are. Let us keep our options and we will continue to insure Americas technical leadership. Do not enact a rule just to have a new rule. The proposed method is flawed. If we need change then stop and review the impact and come up with a method to treat options that protects shareholders, companies and employees.

Thanks,

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"It is not the strongest of the species that survives, nor the most intelligent, but the most responsive to change."

Charles Darwin