Len Tatore

From: Sent:

Hitesh Sheth [hsheth@cisco.com] Wednesday, April 21, 2004 5:24 PM

To:

Director - FASB

Cc:

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Subject:

Expensing Stock Options - File Reference No. 1102-100

Letter of Comment No:138/ File Reference: 1102-100

Chairman Robert H. Herz,

I am sending this note to express strong opposition to expensing stock options.

I have been in the computer industry from the inception of my career and have witnessed first hand the benefit stock options bring to rank and file employees by:

- making them stakeholders in the company
- enabling them to share in the upside should the company do well

The loyalty this fosters and the motivation it generates is without doubt a significant reason why the US has maintained a competitive lead over the rest of the world in the computer industry.

It would be truly ironic that just as other countries like China with competitive computer industries begin to offer stock options (without having to expense them), we in the US will make it

extremely difficult for companies to utilize this critical tool.

Personally, stock options have played a major role in bolstering my family's finances and furthermore have been instrumental in ensuring that when I come to work everyday, I am focused on ensuring that my actions have a material positive impact on shareholders.

Expensing stock options will rob the hi tech industry of its entrepreneurial spirit with far reaching consequences for the US economy.

I am hoping FASB will change course before it's too late.

Hitesh Sheth