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From: Arya Rohani [arohani@cisco.com]
Sent: Thursday, June 10, 2004 2:07 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Chairman Robert H. Herz;

Please do not penalize the silent majority for the sins of few corrupt executives. This is the wrong response to the corporate accounting scandals of the past few years. Think about the millions of employees, both current and future, who will be negatively impacted and have their bright futures dimmed because of the acts of few. This is utterly unfair. FASB's proposed action will hurt our competitiveness precisely at the wrong moment, when the Chinese government is actively helping to stand up its fledgling tech business. Years from now we will regret today's fire/aim actions but by then it'll be too late to reverse course. Furthermore;

- The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.
- Stock options do not meet the definition of an expense because they do not use company assets.
- The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

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'. I ask you and your board to please step away from your reactive mode, think more globally, and do the right thing by letting the winning formula of stock options/company ownership do its job of letting America set the pace for the rest of the world to follow.

Kind Regards,

Arya Rohani, CCDA
Sr. Alliance Manager
Northrop Grumman Corporation
Federal Channels & Global System Integrators

Mobile: 949-295-2424
Office: 949-823-1290
Pager: 800-365-4578

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