Stacey Sutay

Letter of Comment No: 503

From: Dean Marin (dmarin) [DMARIN@cisco.com]

Sent: Tuesday, April 20, 2004 12:58 AM

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I am writing this email in response to the pending FASB draft plan concerning the expensing of employee stock options. I can personally attest that stock options are an integral part of my daily drive for excellence and innovation in the workplace. Why would FASB want to exterminate a key catalyst of this country's economy and culture? Please consider the following:

Accounting Issues:

- 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.

Competition:

- U.S. companies needs 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 iob creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Please abandon your support for this draft plan. It is your duty to do so.

Kind Regards,

Dean C. Marin

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