Letter of Comment No: 1323
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Len Tatore

From: Trevor Gamba [tgamba@cisco.com]
Sent: Wednesday, April 21, 2004 7:29 PM
To: Director - FASB
Subject: Decision to Treat Stock Options as an Expense

To Chairman Robert H. Herz:
File Reference No. 1102-100

I am writing to express significant concern over the interest of the Financial Accounting Standards Board to treat stock options as an expense.

In working within the technology sector for over 10 years, I've come to realize the importance of Stock Options as a mechanism for driving innovation and productivity within the workplace. What is important to realize is that Stock Options are part of an Employee's compensation package within the High Tech Environment. As such, these options serve to attract top technical talent and assist in fueling an employees drive towards success, since the value of stock options are directly tied to the overall success of the company.

My decision to leave my previous employer was due in part to their policy of only issuing Stock Options to senior executives within the company. Part of my decision to work for Cisco Systems was based on their belief that all employees deserve a piece of the pie. As a result, the performance of Cisco versus my previous employer is night and day relative to technical innovation, and speed of execution.

The drive to expense stock options will have a dramatic impact to the American High Technology Landscape. Without question, America's leading edge in high technology will be dramatically impacted.

In line with my previous statements, I strongly urge you to NOT expense stock options.

Trevor Gamba