Len Tatore

Letter of Comment No: 1309
File Reference: 1102-100

From: Irma Michelson [imichels@cisco.com]
Sent: Wednesday, April 21, 2004 8:09 PM
To: Director - FASB
Subject: Expensing Stock Options - Reference No. 1102-100

Chairman Robert H. Herz,
I am writing to express my sincere disappointment in learning of a draft that calls for treating stock options as an expense.

I have been working for nine years at Cisco Systems, Inc. during which time I have received ongoing stock option grants that have affected my ability to help various family members in times of need. For example, the benefits realized from my option grants have not only helped me put one daughter through college, but are currently also helping me put my son through college. Additionally, I support my elderly parents who are 79 and 80 years old.

This results in benefits to government systems who otherwise would be the means for student loans, medicine for the elderly, subsidized housing, and the like. Exponential benefits to the government are well educated young persons who are able to get decent jobs and not rely on the already burdened welfare systems of both the states and federal government.

From a work perspective, I find that having ownership in a company makes me strive to be the best productive employee I can be. As a conscientious employee, I pro-actively look for ways in which to add to our company's bottom line so that we remain viable in a global industry. The healthier a US-based company is, the better for global competition, innovation, job creation, and technology leadership.

Furthermore, since stock options don't use company assets, I fail to see how they can be considered an expense.

I urge you to please reconsider your plan: Please don't:
- jeopardize our ability to compete with countries who do not expense stock options
- impact our industry's growth after too many recent downturn years
- eliminate stock options as a tool which drives innovation and productivity

I thank you for your time and consideration.
Sincerely,
Irma Michelson

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