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Letter of Comment No: 845
File Reference: 1102-100

From: Michelle Dasso [mdasso@cisco.com]
Sent: Tuesday, April 20, 2004 3:18 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz:

I am writing this message to urge you not to expense stock options. Stock Options have assisted me and my family in setting aside funds for our children's future. We consider them to be key part of our family benefits and assist us in our cash flow and budget planning annually. Living in this time, we need benefits such as options to help us provide for our family and fund the future costs of college education for our children. Stock Options have also allowed me to feel more ownership in my company and the work I do everyday. I feel that my efforts do count and they are a source of motivation that hits at my core which is to try and make an impact at what I do everyday.

From a business standpoint here are some of my opinions that I hope you factor in your decision:

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 job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

Please hear our voice and DO NOT expense stock options!!!

Respectfully,
Michelle D. Johnson

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"Success is not a spectator sport."