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Letter of Comment No: 557
File Reference: 1102-100

From: Michele Greenfield [mgreenfi@cisco.com]
Sent: Tuesday, April 20, 2004 9:12 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Importance: High

Dear Chairman Robert H. Herz,

I am writing to express my concern over the FASB's recent decision to treat stock options as an expense and to urge you to reconsider.

I have been an employee of Cisco Systems for four years now and have enjoyed the benefit of stock options. Unlike many companies that grant options only to executives, Cisco believes that all employees should share in the company's success. I believe that such a philosophy is not only commendable but should be encouraged, especially given today's climate of corporate greed. However, I fear that we are on the verge of losing this valuable benefit. If the FASB proceeds with the decision to expense stock options, Cisco will be unable to continue granting options to its employees.

The stock options that I receive are important to me financially, but they also have these added benefits:
- They make me feel that I am a significant contributor to the organization and one who has a stake in its success.
- They motivate me and my co-workers to strive to produce quality products and ensure customer satisfaction.
- They make me proud to work for a company that values its employees and rewards them for their hard work and dedication.
- They encourage innovation and productivity within the company.
- They help Cisco and other U.S. companies to compete in a global market.

Thank you for your consideration on this important issue.

Sincerely,
Michele Greenfield
Technical Writer
Cisco Systems, Inc.