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Stacey Sutay

From: Jeff McDowell [jemcdowe@cisco.com]
Sent: Tuesday, April 20, 2004 4:54 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I am writing to express my concern and disapproval of any move to expense stock options, especially at an unrealistically high valuation.

As an employee of a technology company where stock options motivate the productivity of all employees, it's unfair to force all companies to expense stock options, when the real concern is directed at companies that provide options almost exclusively to their highly compensated employees.

At a company like Cisco, the added motivation that stock options have on productivity, motivation, and moral is a significant factor driving profits and performance. To remove that incentive will only detract from the competitiveness of US companies, and drive the most motivated and productive workers elsewhere.

If stock options have been used for unreasonable purposes in the past, please focus your attention on the wrongdoers. As an employee, the more ownership I have in my company, the more likely I am to make the right decisions that lead to profits for our shareholders (which includes our employees) and reduced costs through frugality.

If stock options have to be expensed at unrealistically high levels, companies like Cisco will have no choice but to eliminate them for most employees. It would be a dreadful mistake to make US companies any less competitive than they are today. Please don't take away a great source of our motivation. This is counter productive to the entrepreneurial values that made this country so great.

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