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From: Chahrouri, Gebran [gebran@cisco.com]
Sent: Wednesday, April 21, 2004 11:59 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 1158
File Reference: 1102-100

Robert H. Herz, Chairman
Financial Accounting Standards Board

Mr. Chairman,

The Financial Accounting Standards Board released a draft plan stating that they intend to treat stock options as an expense.

I urge you to reconsider your decision and NOT require that companies expense broad-based employee stock options or at a minimum set realistic valuation guidelines.

Employee ownership is the fuel that propelled the United States high tech leadership and innovation, especially here in the San Francisco bay area Silicon Valley. It would be detrimental to the United States leadership role in the world if the high tech industry were to suffer the same faith as the Steel and Auto industries in past decades.

I pray and hope that you very carefully weigh the harm that is caused by this action against the perceived benefits which are, anyhow, already accounted for when options are exercised causing dilution of earnings per share.

Sincerely,

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