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From: Michael Cosgrove (mcosgrov) [mcosgrov@cisco.com]
Sent: Wednesday, April 21, 2004 3:27 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Letter of Comment No: 1282
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Chairman Robert H. Herz,

I wanted to voice my opinion on Expensing Stock Options. I am sure you will get opinions on various angles on this argument so I will stick to one.

To be very simple, it's a bad idea. The arguments for Expensing the option do not take in to account the overwhelming negative effect that it will have to motivation of people who work specifically in the high tech sector. The US is able to attract talent by paying for it and creating a great work environment, that shares in the ownership of the company. People who have ownership in the company work harder, are more motivated to go the extra mile to help our customers. When people have a vested interest in their work their jobs are more interesting and the workplace a happier place.

I am a first line hiring manager and I have first hand experience on the motivating factor of Stock Options. I see first hand, how much people are motivated by having stock options. If our policy changes, my company will have a difficult time attracting top talent and jobs will move offshore. The US cannot afford to lose more jobs. We should be doing what we can to get jobs back into the US. The detriment to the US job market will be great and this comes at a particularly bad time as our economy is slow to recover.

If we are forced to Expense stock options, and its clear the motivating factor of the payoff of hard work will diminish. That what has made our country a great place.

Please don't let this happen. Don't let the mistakes of a few cheating companies have a negative impact on our entire workforce in the U.S. Basic human behavior shows that when people need to be motivated in what they do they are simply happier and more successful.

Regards

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