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Letter of Comment No: 5240
File Reference: 1102-100

From: Keith Johnson [keitjohn@cisco.com]
Sent: Wednesday, June 23, 2004 10:01 PM
To: Director - FASB
Subject: File Reference No. 1102-100 Stock Option

Chairman Robert H. Herz,

I am a firm believer in the preservation of stock options as an important economic growth tool for all of America does not an unfair advantage or privledge for a few.

Why?

America as a whole shares the benefit of my effort from the Tax Revenue generated upon sale of the stock if my motivation, contribution, and company vision is successful.

It motivates the individual to help co-workers because everyone involved needs to be successful, in addition to providing an individual productivity incentive. Options represent the personal responsibility mechanism lacking in American business today.

As an employee and individual, it harkens back to the greatest American pioneering tradition of taking a personal risk in doing something new that may not be successful, something that often takes many uncompensated hours to get right.

Looking forward, I ask you where America will find its next wave of hard working intellectual people to take a career risk for just a paycheck and consider how fast they will bail instead of hanging tough and seeing their vision through until others see the common benefit.

It seems odd thanks for people like me, in an industry that barely existed twenty years ago that has provided America so much wealth, increase in productivity and motivation to take risk, that the proposal to expense stock options is even under serious consideration.

I do not take issue with some forms of control, but forcing the expensing options is tantamount to removing one of the greatest tools innovation ever had.

Thank you for considering my thoughts.

Respectfully,
Keith A Johnson