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From: Kevin Congdon [kcongdon@cisco.com]
Sent: Wednesday, June 23, 2004 6:25 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Letter of Comment No: 5219
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Mr. Robert H. Herz,

Stock options have provided a direct means by which I have been motivated to invest the significant amounts of time and effort that have resulted in my organization's success and that of my customers. The result of this perspective being shared by my co-workers provides significant group momentum that is even more powerful. Spending the early hours of a Sunday morning monitoring the cutover of a customer site to our equipment is made more agreeable knowing that the success of this and many other actions like it are ultimately reflected in customer success that translates into sales, growth and stock option appreciation.

The ability to have a motivating factor such as stock options and the resultant satisfaction in a job well done goes well beyond the merits of base pay and commission.

If the exercise of options already reflects the dilution of earnings per share, why do we need the expensing of options? This becomes even more of a concern given the artificially high valuation that FASB is proposing.

I want to see a healthy, competitive high tech environment that will be able to compete on the world wide market. Retention and attraction of top talent is afforded by options. Therefore, I strongly disagree with expensing of options as it will remove the incentive that ultimately drives performance , growth and the economy.

Regards,
Kevin Congdon

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