

ikon**Letter of Comment No: 972**
File Reference: 1102-100

From: Hom, Kenny [khom@cisco.com]
Sent: Tuesday, April 20, 2004 12:21 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference #1102-100 (options expensing)

Dear Mr. Robert Herz,

I urge the FASB committee not to expense stock options, especially using high valuation techniques.

I am a 33-year old engineer who graduated from Cal Poly State University in 1994. The first company I worked for did not offer stock options. My only chance for building my savings was through my 401K plan. While 401K plans are nice, they are untouchable till I retire. Ten years later, the value of my 401K plan from that company has grown, but it is slightly less than the value of the stock options I gained from my subsequent companies. In my latest company, my stock options have grown to over half of my net worth in less than 4 years. It provides me with financial security in a financially unstable time. The options will one day reduce any heavy dependencies on social benefits like Social Security. Additionally, everytime I exercise my options, I pay my share of taxes on the gains - a great benefit to the government. The options also help me be even more charitable to the community by giving larger donations when the options' valuations increase.

Mr. Herz, there is a lot of benefits of stock options to the ordinary citizen like myself. If options were to be expensed, my company would stop offering them. And like what happened in my career from 1994-1999, life as an employee will be a struggle as I strive to attain financial goals in an area of high cost of living and great competition.

Thank you for your time.
Kenny Hom
223 N Central Ave
Campbell, CA 95008