## Len Tatore

From: Sent: Terry Hoffman [terhoffm@cisco.com] Wednesday, April 21, 2004 10:44 PM Director - FASB Letter of Comment No: 1245

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To: Subject:

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Chairman Robert H. Herz.

As a recipient of stock options, I urge you to not expense stock options. By valuating stock options artificially high, my employer will reconsider rewarding employees at my level (non-management) with stock options. One reason for moving from my previous employer of 17 years to my current employer is the added value of obtaining stock options to supplement my income.

We had been renting a house in Mountain View, CA for about twelve years because we could not get ahead enough to purchase a house. With the bonuses from my current employer, we were finally able to purchase an older house with interest-only 1st and 2nd loans that make the monthly mortgage low enough for us to afford the payments. Unfortunately, the principle part of the loans is not being paid down. We plan on using stock options over the next 3 to 5 years to pay off the second loan so that we can afford to refinance to a loan which will allow us to also pay the principle. If my employer eliminates stock options, we will not be able to afford to make payments on our home in 6 years when the loan converts to a normal 23 year ARM type loan.

Our daughters will be ready to attend college in 2 and 4 years. The stock options that will be used to help purchase our home will also be used to higher educate our daughters. Without the stock options, they will have to struggle harder than I did by putting themselves through college because the cost of higher education is increasing dramatically.

Again, I urge you to please reconsider expensing stock options which would force high technology companies to eliminate rewarding hard, productive workers that make this country the best place to work and live.

Thank you,

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