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Letter of Comment No:992 File Reference: 1102-100

From: Sent: To: Jay Arthurs [jarthurs@cisco.com] Tuesday, April 20, 2004 12:37 PM

Director - FASB

Subject: Please do not force stock option expensing

Sir,

I am aware of the FASB attempt to force employers to expense stock options. I think this is wrong. Forcing a high valuation on options will cause unrealistic expenses on a company. After the collapse of share prices in 2000, imagine the expense forced on a company at that time and how much that would hurt it when the value simply vanished into thin air. I know, I exercised my options, paid tax on them and then watched the value disappear as Wall Street crashed. But the government got my tax payments for value I never got. It was only a paper gain but it was real cash out of my pocket. Your move now will do the same to whole companies. Think about that and what it will do to the un-employment figures. At another company I worked for my stock options allowed me to pay for my home. Here at Cisco I hope to be able to retire some day, if taxes don't take it all.

Without stock options there is no point in working for high tech. The long hours are only justified by the potential reward of options. Without them any high tech company is just another job. We might as well be punching timeclocks. As for working 16 and 18 hour days, forget it! Are you trying to shut down the high tech industry? Most of Silicon Valley works on the hope of options being worth something. Take that away and no more high tech. There goes the billions of tax dollars the government collects. Just the thing to do when we are now having record deficits. NOT!!!!

Please do not expense stock options. I may be forced to quit working and go on the dole.

Thank you, Jay Arthurs