

Message

Letter of Comment No: 69  
File Reference: 1102-100

**Stacey Sutay**

---

**Subject:** FW: File Reference No. 1102-100/Stock Options  
**Importance:** Low

-----Original Message-----

**From:** Kelly Simons [mailto:ksimons@cisco.com]  
**Sent:** Thursday, April 15, 2004 4:04 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100/Stock Options  
**Importance:** Low

April 15, 2004  
Re: File Reference No. 1102-100

Dear FASB Board Members:

I would like to submit the following personal letter regarding the current stock options debate. In 1998, I left a small financial printing company in Washington DC to make the long journey across country to relocate to the Silicon Valley in Northern California. I was 24 years old and desperate to find a career path and perhaps even my place in life. I settled in Sunnyvale, CA, rented an extremely expensive, small apartment and joined a company that managed Cisco Systems partner programs and events. Soon after, I accepted a full time position at Cisco where today I am employed as an Executive Communications Manager.

After all these years, I am still living in that very small apartment in Sunnyvale and it turns out that it is not as expensive as I once thought. Actually, it is quite a bargain. Anything under \$1500/month in this area is. And given that Sunnyvale is close to Cisco campus, the soaring gas prices are tolerable at best. The reason I have stayed in this apartment and this city is simple. I cannot afford to relocate to a city such as Palo Alto, San Carlos or San Francisco. And I certainly cannot easily afford to buy my first home in this area. After years and years of saving for that down payment for a home that I so desperately want to purchase, I am not even close. The average purchase price of a condo or small home in this area is \$550-600K. The very thought of it makes my palms sweat and my heart race. How could I ever manage a \$3.4K per month mortgage payment on my salary? To use a common cliché, I am "betting the farm" on stock options.

If you eliminate broad base employee stock options from hard working individual contributors like me, you are taking away more than you think. You are taking away the dream of someday owning a home here in the Silicon Valley. This is where I love to live and where I am required to reside for my job. Cisco Systems has been generous with stock options to individuals like me. I have received them for achieving important goals and I have even received them in place of salary increase when many of the companies in the valley were eliminating jobs or cutting salaries.

I have held onto my stock options through the years, checking the stock ticker on a daily basis as well as the (closed escrow) real-estate reports to gauge the soaring sale price over list price. When the time is right, I will exercise my options and buy that home that I so often dream of. There are many people who live in the valley just like me who cannot afford a home, a college tuition or specialized medical treatment without the benefit of stock options.

I guess you can say that I found what I was looking for when I relocated here six years ago. If

4/15/2004

someone told me then, however, what a financial struggle it would be to own a home in the Silicon Valley, I would have dismissed any negative comments with optimism about the opportunities and success that lay ahead. In my own mind, opportunities and success have been abundant in my life; I can just not afford to be a homeowner someday without the help of stock options.

Thank you in advance for your consideration,  
Kelly Simons

4/15/2004