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Letter of Comment No: 2069
File Reference: 1102-100

From: Tyler Creek [tcreek@cisco.com]
Sent: Wednesday, April 28, 2004 5:58 PM
To: Director - FASB
Subject: File Reference No. 1102-100 - Chairman Robert H. Herz

To Chairman Robert H. Herz,

As an employee who has used employee stock options recently in the purchase of my home, I urge the FASB to keep broad-based employee stock options as they are and to not require our company to expense them under any circumstances.

Having been an employee at Cisco Systems for five years, one of the primary motivations for undertaking a major life change in moving my family from our home for 30 years to Los Angeles came from Cisco's stock option plan. Having an opportunity to receive compensation based on performance, productivity and merit has been and continues to be the primary driver in my successful career.

With the median housing costs in my area (latest date for year 2000) at \$637,800 it would have been impossible for my wife and I to afford a home. As of today, we have two weeks until we close escrow and it was through my stock option plan, savings and employee stock purchase, that we are able to afford our home (which is well below the median price).

Cisco and companies like it must provide a level of differentiation to attract and retain the best possible employees. It is through innovative tools such as broad-based stock option plans that our Company is able to effectively compete in a global economy. I again urge you to reconsider any actions which may jeopardize our companies ability to provide such a valuable compensation differentiator.

Thank you,

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