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From: Sent: Paul Bernstein [pabernst@cisco.com] Tuesday, June 15, 2004 12:44 PM

To:

Director - FASB

Cc:

savestockoptions@cisco.com

Subject:

FILE # 1102-100: PLEASE DON'T EXPENSE STOCK OF HONS!

Letter of Comment No: 4333

File Reference: 1102-100

Importance:

High

File Reference No. 1102-100, addressed to "Chairman Robert H. Herz,"

Dear Mr. Herz,

I have been a front line sales employee at Cisco Systems, Inc. for almost four years now. I started with the company just before the U.S. Economic downturn that significantly impacted technology companies. From day one I have been receiving Stock Options, and through the downturn, Cisco continued to offer this to front line employees in an effort to retain and motivate us. I strongly believe that this is a critical factor in keeping me motivated during challenging economic times, and I still work much harder than my peers in other companies, in large part due to the concept of generating revenue for a company I own.

Expensing of stock options would force Cisco and other similar companies to eliminate this program, due to the methods your organization is recommending. This action would be disasterous! Not only will people in my position be less motivated to perform, but we will lose market share and momentum to our overseas competitors that continue to offer this benefit.

Please do not support the expensing of stock options, especially at unrealistically high valuation. It would not help our economy one bit.

Paul Bernstein

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