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Trudy Hanes [thanes@cisco.com]

From: Sent:

Monday, June 14, 2004 12:32 PM

To:

Director - FASB

Cc:

savestockoptions@cisco.com

Subject: Stock Option Expensing

Dear Chairman Robert H. Herz,

I am writing to request that you do not expense stock options.

Options help attract and retain and motivate people toward excellence. Studies have shown time and again that employee ownership of a business helps a company stay competitive and growing and productive. This helps not only shareholders of Cisco but the US as a leader in technical innovation. In a company like Cisco, who's product is based primarily on the contribution and knowledge of it's employees, stock options are key to innovation and productivity.

Letter of Comment No: 4304 File Reference: 1102-100

I believe that the artificially high valuation for a stock option required by FASB will eliminate stock options. This will hurt us in our ability to compete globally for the best talent and will hurt the innovation and productivity growth that has made Cisco great.

sincerely,

Trudy Hanes