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From: Timothy Epkes (tepkes) [tepkes@cisco.com]

Sent: Tuesday, June 15, 2004 8:32 AM

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I am a recent addition to Cisco Systems. I heard about a plan to make stock options an expense, making it unattractive for companies like Cisco to provide stock options. In a growing job market stock options are an attractive way to acquire and retain innovative/motivated people. Stock options were among a few reasons I decided to join Cisco Systems. Stock options are an excellent incentive for me to work hard to accel in the company and to ensure the company is acceling in our market space. In considering Cisco for employment, I also considered how stock options could help me toward my goal of retirement. Stock options have become part of my overall retirement strategy. By working hard, being innovative and constantly motivated, I can obtain these retirement goals through the stock options that are awarded to me for my hard working efforts. This motivational incentive makes me a better person and helps make Cisco number one in its market place. I believe making stock options an expense, thus eliminating stock options, would be a injustice to the employees of the companies and for the companies at large. Please reconsider making stock options an expense for the good of the American industry and worker. Thank you for your time and attention in this matter.

Tim Epkes CCIE# 3699 Cisco Systems, Inc. 13600 Dulles Technology Drive Herndon, VA 20171 O: 703-484-0175

O: 703-484-0175 C: 301-471-8983 E: tepkes@cisco.com