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Letter of Comment No: 3953
File Reference: 1102-100

From: mark bibb [markbibb2004@yahoo.com]
Sent: Thursday, June 10, 2004 10:36 AM
To: Director - FASB
Subject: Stock Option Issue

Dear Sir,
My name is Mark Bibb and I am an employee of Cisco Systems. I am sending you a personal note to address the Financial Accounting Standards Board (FASB) draft plan stating that they intend to treat stock options as an expense, released last month.

Personally, stock options have helped me in a number of ways concerning my approach to work and place a sense of ownership concerning the use of company resources and finances. It influences your decisions knowing that it will have an impact on your stake of equity in the company.

I have a wife and 4 kids and the stock has made a significant impact on increasing our standard of living, especially in the last few months as the stock has continued to increase in value. It gives me a sense of security when I think about unexpected expenses related to raising a family of 6.

The key point here is that the power of having shareholders' interests in the company has been a part of the Cisco culture since our beginning. The vast majority of companies that take part in stock options do not have the abusive profit seeking mentality that the press seems to love to talk about.

From a shareholder perspective, please know that a artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.

Stock options do not meet the definition of an expense because they do not use company assets.

The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

I truly believe that the positive impact and beneficial nature of a stock option program far outweighs the negative impressions often associated with companies that take part in this very important and vital shareholder program.

Sincerely,
Mark Bibb
A Concerned Shareholder

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6/15/2004