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Letter of Comment No:884 File Reference: 1102-100

From: Janel Kratky (jkratky) [jkratky@cisco.com]

Sent: Tuesday, April 20, 2004 8:40 AM

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I have been an employee of Cisco Systems, Inc for the past three years. When I signed on at Cisco (from being an on-site contractor) I gladly accepted stock options as a form of compensation even though my annual salary was reduced from my previous job. To me, the reduction wasn't a big issue because I knew the harder I worked the more I would be compensated by other means (stock options, bonuses, etc). Stock options are a motivational tool that allow me to feel as though my contribution to the entire company and shareholders matter.

I view my stock options as a long term investment, just as I view my career at Cisco. Someday I plan on using my options as a down payment on a house. Stock options make me want to work harder and do my part for the company because the harder we all work the more we will benefit. Please do not hinder this incentive and expense stock options.

Best regards, Janel Kratky