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From: Elena Morado [emorado@cisco.com] Sent: Wednesday, June 09, 2004 9:15 PM

To:

Director - FASB

Subject:

Stock Option Expensing

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

I urge to reconsider the your position on treating Stock Options as an expense. I can share with you that personally, I would not have been able to own my home and accumulate the savings that I have for my retirement had it not been for the options that I have been given here at Cisco. Although, I have had to work very hard for the compensation (including stock options) here at Cisco, it has put me in a financial position that I otherwise would not have been able to obtain. The reason employees don't mind working hard here and at other companies that give out options is because they feel ownership in the company and are invested in it's success. I know that is why I have strived to ensure that I am helping the company meet it's objectives. Employees at all levels here have been able to improve their lives and their families lives as a result of the stock options that have been granted to them. Many employees have put their children through college with the monies from stock options and as a result employers will have a better educated workforce.

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Not only have I benefited from being given these stocks but so has the government, both state and federal, through the taxes I have paid once I exercised the stock. I can only imagine how much in revenue the government will be loosing as a result of companies now having to expense stock. soon as stock is expensed, companies will either stop providing it at the levels and/or the amounts that they have been able to give will lessen significantly.

I understand the need to address the accounting issues that this is trying to address. But I also believe that there has to be betters ways to address these issues without having such a negative impact on a large population of this country.

Please reconsider your position, your decision will have significant impact on people's lives.

Sincerely,'

Elena Morado

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If you have any questions regarding benefits, general HR issues, and use of HR tools, please contact HR Connections at: http://wwwin.cisco.com/HR/hrc/ or (408) 526-5999. They are available Monday through Friday from 6:00 am to 6:00 pm PST.

Elena Morado Human Resource Manager 527-2094