Letter of Comment No: 322 File Reference: 1102-100

Stacey Sutay

From: Victor Lebario [vlebario@cisco.com]

Sent: Monday, April 19, 2004 10:42 PM

To: Director - FASB

Subject: File Reference No. 1102-100

Chairman Robert H. Herz

Mr. Chairman. I have been an employee of Cisco Systems, Inc. for the past 3 years. I am writing to you in an effort to urge you to not expense stock options, especially at an unrealistically high The artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity.

In my 14 year career, Cisco is the first company that I have worked for that has provided me a significant amount of stock options. The options allow me to significantly realize the benefits of my contributions and provides for me the incentive to be more productive for Cisco. The rewards will go towards helping my family achieve our financial independence.

Lastly, I believe that the stock options are not only a competitive advantage for this industry but for this country. If this tool no longer exists for our leadership to provide incentives to employees, then the loss of jobs for this country will increase and the jobs will go to those countries who's financial laws permit the use of stock options without treating them as an expense, China for example.

Please do not expense stock options.

Regards, Victor Lebario

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