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Letter of Comment No: /63/ File Reference: 1102-100

From:

Lisa Hawes [lhawes@cisco.com] Friday, April 23, 2004 2:07 PM

To: Subject: Director - FASB
File Reference No. 1102-100, Attn: Chairman Robert H. Herz

Dear Chairman Herz,

I am writing to express my utmost concern over the pending decisions around the expensing of stock options and must respectfully ask that you please consider my input around NOT treating them as an expense.

Forcing companies, like mine, to treat stock options as an expense would make it very difficult to continue broad-based employee stock option programs like the one we currently have at Cisco.

Stock options have been a key motivator for me and my colleagues, allowing us to do things that wages alone would have never -allowed in the bay area...such as buy homes, send our children to college, and allow for more generous donations to charity. For me and my family personally, they have afforded us the gift of truly planning a better future for our children, as well as realizing our dreams of owning our own home.

With stock options as a motivator, we realize productivity gains that we would never otherwise achieve. To achieve our aggressive goals we must think, act and partner globally for true effectiveness which often means 12 hour days in order to collaborate with colleagues in Europe and Asia time zones...something we as employees gladly embrace knowing that we all ultimately benefit from the rewards facilitated by our stock options. In effect, Chairman Herz, stock options directly influence not only our productivity but our loyalty as well.

At this late hour, I would ask that you please take this feedback under advisement and help influence the right decision...to NOT expense stock options.

Thank you for your time.

Sincerlely,

Lisa Hawes Sr. Project Manager Cisco Systems, Inc.