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Letter of Comment No: 1558 File Reference: 1102-100

From:

Nancy Lloyd [nlloyd@cisco.com]

Sent:

Thursday, April 22, 2004 1:02 PM

To:

Director - FASB

Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz.

I am writing to document my support of stock options as an employee motivator. I credit our stock program with attracting and keeping top talent in the networking industry. Every person in this company takes our success personally, and cooperates to deliver value to our company and to our stock.

I am an 11-year veteran at Cisco Systems. I left a career at IBM and joined the relatively small company of Cisco Systems at that time, with only 1000 employees. Stock options have provided me great personal motivation and loyalty to the company, and have justified many overtime hours of productivity on behalf of the company.

Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation.

Please refrain from the current sentiment toward an artificially high valuation for stock options.

Nancy

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