

Len Tatore

From: Robert Prilliman (rprillim) [rprillim@cisco.com]
Sent: Wednesday, April 21, 2004 7:37 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100 / "No" to stock option expensing

To: Chairman Robert H. Herz, Financial Accounting Standards Board

Sir,

I am respectfully writing this message asking you NOT to enact or support the recent draft plan to expense stock options. I believe very strongly the past success of my company, Cisco Systems, Inc., has been enhanced because of employee ownership through stock options and more importantly, the future success of my company will be impacted negatively if stock options are expensed. By enacting the recent draft the very basic tenet of employee ownership in American companies will be denied. The options employees within Cisco Systems are afforded have direct impact on our focus and attention, everyday, to drive and excel with the development and leadership of the solutions we deliver to businesses, governments and educational institutions around the world. Our ability to compete in the global economy is significantly enhanced by having the stock option program. I am certain without these options our innovation and leadership in the high tech marketplace will be gravely impacted. With this decline, I believe one of America's brightest organizations will be sorely hampered and it's ability to aggressively compete will be diminished. With so many jobs leaving this country I cannot fathom why eliminating employee ownership by expensing our stock option program would be a positive move to make. American companies need these programs not just to compete with other countries but more importantly stay ahead of them in the global marketplace.

My family and I have greatly benefited from my stock options. The options I have personally received have assisted with and provided home ownership, home improvement, provided charitable contributions, secondary education for my children as well as provided and paid for college education for my wife and oldest son. In addition I expect my options to assist with paying for college for my two younger sons and greatly contribute to my retirement income. My options, and expectation of future option grants, provide great motivation to me each and every day to give an extra effort to insure Cisco Systems is the best I can make it. Having a personal stake in this company is very motivating and makes me proud to be a part of this great American success story. Personally contributing to the success of Cisco Systems as well as benefiting from it is what makes this company so tremendous. My options also insure I am perfectly aligned with outside shareholders of this company to make certain we do the right things for everyone who is part of this organization. With every employee having a stake in the success of Cisco Systems and benefiting from it along with the other shareholders outside the company, we make America the global leader in this high tech industry segment today and into the future.

By expensing stock options you will eliminate these benefits to my family and many, many other families at Cisco Systems. Hurting us and other American companies who provide options I know is not your goal. I am certain though, by expensing stock options, this is exactly what will be done. I appreciate your consideration on this matter.

Sincerely,

Robert Prilliman
Cisco Systems, Inc.
Midstates Commercial Region Manager
Overland Park, Kansas
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