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From: cindy radke [cradke@cisco.com]
Sent: Monday, April 19, 2004 5:38 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
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To Chairman Robert H. Herz,

As a 5 year employee of Cisco Systems, Inc. I am writing to urge you not to require corporations to expense options. From a purely objective point of view, requiring high valuations for options will mean the loss of a significant tool that drives innovation and employee productivity. Certainly you can see that this has been a fantastic tool for Cisco!

The true cost of an option is already accounted for when options are exercised - it is a dilution of earnings per share. Stock options do not use company assets, so expensing them seems to be in direct opposition to the definition of expense.

In today's global economy, US corporations need to have stock options to compete with other companies in countries that are able to offer them and do not have to treat them as an expense. Given today's focus on the economy, we would hope you would keep US employees in mind.

On a personal note, I have to tell you that stock options are a real motivation. You have more pride in your work and your company, which drives productivity and revenue.

In addition, with the limits on 401Ks and IRAs, our family counts on stock options to bolster our retirement savings. We will not be able to rely on social security, and have limited pension options available so our Cisco stock options are very valuable and a necessary financial support.

Please don't punish the employees of US companies for the misdeeds of a few executives - you can bet those executives will continue to enjoy options while the normal rank and file will lose a valuable incentive and retirement plan. We are counting on you!

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