Letter of Comment No: 1957 File Reference: 1102-100

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Terry McMullen (tmcmulle) [tmcmulle@cisco.com]

From: Sent:

Monday, April 26, 2004 9:52 AM

To:

Director - FASB

Subject:

File Reference No. 1102-100

Importance: High

Chairman Robert H. Herz

I am strongly in favor of continuing the practise of NOT expensing stock options and I urge you to drop this counter-productive action.

Stock options, in their current form, are one of the few things that I persoanlly have to motivate me to work harder and become more efficient/effective at my job. The economy has not turned around sufficiently to eliminate my dependency on receiving stock options to supplement my savings for retirement and the support of my children's continued university education.

I believe that by receiving stock options, my involvement with the company makes Cisco a stronger company; one that will continue to help drive our economy. Changing the rulings surounding the issuance of stock options will, in all likelyhood, reduce or eliminate my future options and adversely affect my financial futre in a most negative fashion.

Thank you

Terry McMullen