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Letter of Comment No: 1150 File Reference: 1102-100

From: Dave Mueth (dmueth) [dmueth@cisco.com]

Sent: Wednesday, April 21, 2004 11:46 AM

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz. I heard that the board is getting ready to vote on whether or not to expense Stock Options. As a Cisco employee, I feel that I need to share my thoughts and the thoughts of all of my peers that I have talked to about this subject. I am very against this move. I urge you not to expense stock options. You may be asking yourselves why I feel this way. I will give you some reasons. First of all, working at Cisco is a very stressful and hard job. We are all driven to our full potential. The reason many of us stay at Cisco is because of the sense of pride we have in being a owner in the company and the possible future reward in dollars that could be waiting for us if we continue to do a great job. I have been one of the un-lucky people that has almost all of my options sitting at a very high price which will not be of value for quite some time, but I am hopeful that with continued hard work, they some day will be a reward. Another trait that you will find in the field is a sense of team-work across teams that comes from wanting to make Cisco successful and keep the stock rising. I just spent the last two days presenting at a convention when I will get credit for none of the sales because these customers where from all over the world, but I did it because of the benefit to me in Stock if these customers all purchase. Activity like this will probably me minimized if we no longer have that feeling of ownership that have Stock Options gives us.

Thanks for listening Dave

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