Stacey Sutay

Mark Bilstad [bilstad@cisco.com] From: Monday, April 19, 2004 10:32 PM Sent:

Director - FASB To: File Reference No. 1102-100 Subject:

Chairman Herz:

My name is Mark and I am an employee of Cisco Systems. I urge you to not to treat stock options to rank-and-file employees as an expense. Stock options have been a strong motivator for me and the people I work with. They have enabled me to buy my house.

Letter of Comment No: 325

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If the goal is to solve the "cancer" of excessive executive compensation and transparency to shareholders, then I urge you to focus on those problems specifically, rather than destroying so much "healthy tissue" by simply expensing stock options altogether. For example, the proposal to expense the options of the top 5 company executives seems to me a reasonable compromise.

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