ikon From:

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Letter of Comment No: / 556
File Reference: 1102-100

Sent: Thursday, April 22, 2004 3:16 PM

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: File Reference No. 1102-100 - No on Expensing Stock Options

To: Chairman Robert H. Herz

Regarding: Expensing of Stock Options

As an employee of Cisco Systems, Inc., it is important to me and my family that companies are not required by law to expense stock options.

In addition to the implications of how this would impact Cisco's accounting and competitive stance in a global market, on a personal level, I strongly value Cisco's ability to distribute options to its employees which is a huge motivator for me.

Cisco culture is to maximize its productivity among employees while still observing frugality across the company. Even when Cisco stopped giving regular merit increases in salary, Cisco still distributed stock options to its employees. What a huge morale booster that was while giving us encouragement to work harder for the future.

I truly value working for Cisco Systems, and do not want my company to be forced to do away with its most motivating incentive programs for employees.

Regards, Jennifer Sterkel

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