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From: Edna Conway (edconway) [edconway@cisco.com]
Sent: Saturday, April 24, 2004 8:14 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz

As a senior member of Cisco Systems, Inc.'s Legal Department, I wanted to take a brief moment to share with you the critical importance of stock options as both a component of our professional team members' compensation plans and a motivational tool. While the grant of stock options is important to all Cisco employees, it is particularly relevant to our team.

The preservation of ownership of and the implementation of a non-discriminatory licensure schema for intellectual property lies at the heart of Cisco's unique mission to serve its shareholders while assuring that our innovative technological solutions are licensed in a manner such that Cisco continues to positively change the way people work, live play and learn. To effectively achieve this goal, Cisco must compete for highly skilled and entrepreneurial legal talent, many of whom could very easily earn substantially greater compensation at law firms.

A key component to attracting to Cisco such skilled and uniquely motivated talent is the opportunity to play a critical role in achieving shareholder value and aligning oneself with Cisco's shareholders. As option holders, our personal potential is intrinsically linked to Cisco's potential.

At a time when many of our most talented students, graduates and workforce members are lamenting the fact that there seem to be limited opportunities to share their expertise, drive and capabilities in an environment which offers the chance to truly partake of a business' risks and rewards, stock options are a key tool.

Please reconsider FASB's current ruling, as its effect will inevitably reduce Cisco's ability to effectively use stock options as a tool to drive innovation, productivity and the sense of accomplishment and ownership that all truly great team members wish to share.

Edna Conway

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