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Letter of Comment No: 2137 File Reference: 1102-100

From: Matthew Haines [mhaines@tangentproperties.com]

Sent: Friday, April 30, 2004 4:07 PM

To: Stacey Sutay

Subject: FAS 123 comments

Dear Sir/Madame:

I am a 6 year employee of Cisco Systems, Inc. and have benefited from our employee stock option plan- well, actually, I have not yet because I have yet to turn in any shares.

FAS 123 if implemented would damage companies like mine and their ability to motivate their employees through broad-based ownership.

I can personally say that I have never worked as hard in my life as I have for this company, and a substantial factor in the decision not only work so hard for Cisco, but also to seek employment there has been the stock options plan. I truly feel that I have an impact, and that I am rewarded for that impact through this program.

I am opposed to FAS 123 and believe that it ultimately hurts the working man/woman.

I do not see that FAS 123 is anything but a way to limit the compensation of the average joe and to suggest that accounting changes are required is absurd.

When you think about it for a moment, it becomes clear. I have been up and down on my options for 6 years. The spread between the highs and lows has been substantial. How can a company be expected to define the value of these options before I cash them out?

Please reconsider and rescind this draft. The implications of it hurt many people just working to support their families.

Respectfully,

Matthew E. Haines

"Between falsehood and useless truth there is little difference. As gold which he cannot spend will make no man rich, so knowledge which cannot apply will make no man wise."

Samuel Johnson