

Stacey Sutay

From: Mary Beth Shields (mshields) [mshields@cisco.com]
Sent: Monday, April 19, 2004 4:46 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I have been an employee at Cisco Systems, Inc. since December, 1994. As an Executive Assistant, I was thrilled at the possibility of receiving stock, let alone actually being a decision maker for this company. I have sold about 30,000 share of my stock over the past 10 years. The stock has allowed me to: partially finance both of my daughters' college educations; pay for several new cars; assist my parents in time of financial difficulty as a result of health issues; and pay for my own wedding and honeymoon.

As a shareholder in my company, I am very aware of the decisions that the company makes, my department makes, and my managers makes, and often times challenge the fiscal sensibility of some of those decisions. I know that because I am a dedicated, hard worker, my company gifts me with stock in appreciation for this work ethic.

In reflecting to the benefits of stock options, I feel that the artificially high valuation for a stock option required by FASB will eliminate stock options as a tool which has driven innovation and productivity. Stock options do not meet the definition of an expense because they do not use company assets. The true cost of a stock option is dilution of earnings per share (EPS) and is already accounted for when options are exercised.

I am also aware that U.S. companies needs stock options to compete with other countries on a global basis. And expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

I appreciate you considering my thoughts on this matter.

Best regards,

Mary Beth Shields

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Life is no brief candle to me. It is a sort of splendid torch which I have got a hold of for the moment, and I want to make it burn as brightly as possible before handing it on to future generations.

- *George Bernard Shaw*