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Letter of Comment No: 627

File Reference: 1102-100

From: Daniel Hegg [dhegg@cisco.com]
Sent: Tuesday, April 20, 2004 11:30 AM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am an employee of Cisco Systems, Inc. and am very concerned with the proposal to eliminate the availability of Stock Options as part of employee compensation packages. I am an individual that has a strong entrepreneurial spirit within and have worked in the past to start my own company. I have always been interested in working for companies that focus on growth and the entrepreneurial work environment. As part of the environment, ownership plays a significant role in aligning the focus on the employee with the focus of the company goals.

It is my strong belief that the availability of Stock Options is critical to maintaining the entrepreneurial spirit in an organization. From a personal standpoint, I look to Stock Options as part of my future financial plan and I carry a considerable amount of drive based on how I can accomplish work effort and projects that will increase the value of the Cisco stock price.

As a Manager within Cisco, I want you to understand the motivational aspect of Stock Options in working with my team. Stock Options are a strong incentive to them to perform at a high level, as they too, are focused on the stock price and what they can do to increase the stock value. I want to tell you how wonderful it is as a Manager when I provide a stock grant to an employee and the positive reaction that takes place. I see an increase in activity from the employee and a renewed dedication to the work place.

I want you to know that I support the availability of Stock Options to employees and will base my future voting in public elections on the candidates position on stock options.

Regards,
Daniel Hegg

Daniel Hegg

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