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Letter of Comment No: 4018
File Reference: 1102-100

From: john.lowry@amd.com
Sent: Tuesday, June 15, 2004 8:17 AM
To: Director - FASB
Subject: File Reference No. 1102-100, Comment on FASB Stock Option Proposal



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Dear Mr. Robert Herz:

I am writing in reference to FASB's invitation to comment on its exposure draft, "Share-Based Payment," an amendment of Statements No. 123 and 95. I do not understand your position that Employee Stock Options are and should be an expense. They are not. Forcing companies to expense stock options will give a misleading picture of the companies true financial situation.

Also, the cost modeling formula derived for calculating this 'expense' does not directly relate to the cost of the stock option (which can't accurately be realized until and IF the option is exercised) and therefore is an inaccurate tool for estimation only clearly providing the opportunity for misrepresentation of the companies financial standing.

Thank you for your time,
John Lowry

Sincerely,

John Lowry
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