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Letter of Comment No: 2517  
File Reference: 1102-100

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**From:** Sherfey, Jay [jay.sherfey@intel.com]  
**Sent:** Monday, May 17, 2004 1:37 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Dear Sir or Madam,

I have been following the arguments pro and con over the reporting and expensing of stock options. As an employee of Intel, one of the very few U.S. companies that shares the wealth across rank and file (not just the boardroom), I am very concerned about the negative impact of expensing stock options to this company. Intel is a global company and, due to its strict adherence to its values regardless of geography, it has done more to spread American values on equality and justice (social and economic) than many targeted government programs. I am very proud to be part of this organization.

My concerns around expensing stock options are the following,

- 1- I cannot use my options for a length of time until they have been vested. The options have no value until they are vest.
- 2- Once vested what is the stock option value? I have no way of knowing. I must ask, "How do you expense something with no known value?" In short, you cannot.
- 3- I cannot turn around and sell these options as a commodity. They are only exercisable by me and only when the value exceeds the value at the time they were given (not vested).

I do not see how anyone can expense options based on no promised value at a specific time in the future. Will the government give back the previously expensed options if they have no value in the current tax year? This will be one huge mess. Given Intel's history of above board business practices and its core values, I believe it should not have to expense stock options.

Regards,

Jay Sherfey

5/18/2004