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Letter of Comment No: 1777

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From: Schumann, Douglas M [douglas.m.schumann@intel.com]
Sent: Friday, April 23, 2004 11:53 AM
To: Director - FASB
Subject: Reference No. 1102-100

Dear Sir,

I am extremely disappointed in the ongoing actions of your organization regarding treatment of options in corporate financial statements. While full disclosure of executive options in public companies should continue and expand, expensing them in general disregards several fundamental accounting issues.

Valuation of an asset that is not known and not transferable on the open market does not make sense. It is clearly a knee jerk reaction to recent accounting scandals which have tarnished government oversight organizations. The irony is that this direction in my opinion would not have prevented any of these same incidents.

I hope your group reconsiders your current action regarding expense of options and re-review the actual accounting fundamentals. Please ignore the political rhetoric and look at the facts.

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