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From: Tidler, Karen L [karen.l.tidler@intel.com]
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To: Director - FASB
Subject: Reference No. 1102-100

I disagree with the expensing of stock options. I have outlined below why. As an Intel employee who has stock options I think more like an owner than an employee. I'm within 8 years of retirement and have only been with Intel the last 4 years of my career. I have never received stock options before and have never thought this way before. This is a way to keep deadwood out of the ranks and motivated employees.

Next since options are not freely tradable how do you put a value on something that has no market therefore there is no accurate way to put a value on them.

Our employee stock options are only exercisable after lengthy vesting period (4-5 years). If I change job prior to them being vested they are forfeited. I'm not sure what that does to value but it wouldn't be in my pocket.

Finally, it only makes sense to exercise stock options when the price is higher than the issue price. Again, how is this predicable. Our stock market system is so fickle that this is impossible. Look at Intel for example. We release above predictions, positive view, factories fully loaded and money in the bank and what happens to our stock price — it goes down. This system is NOT always indicative of a company's performance.

This FASB exposure draft is sure to be greeted with relish by our competitors in Asia and beyond. Entrepreneurs in China, Singapore and India will not just continue to focus on software development or other low-tech industries. They will create global economic powerhouses there which will be listed on those stock markets. In its latest five-year economic plan, the Chinese government explicitly calls for broader use of stock options to attract and retain key talent in China.

It is ironic that a communist country, the People's Republic of China, is encouraging the wider use of stock options, while in the U.S. the FASB wishes to make option grants to employees much more difficult and expensive. This FASB proposal will harm the ability of Americans to innovate and drive our nation towards second tier status.

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