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From: Rogers, William J [william.j.rogers@intel.com]
Sent: Friday, April 23, 2004 11:59 AM
To: Director - FASB
Subject: FW: FASB Action Alert-Stock Option Expensing

Do what is in the best interest of the majority. Every year for the past 5 years I have received the same amount of stock options 60 (\$26.995) and this year I read an article; <http://www.fool.com/News/mft/2004/mft04040211.htm?ref=foolwatch>
That my CEO received 1.35 million options doubling his previous year. I do not see how that is fare. However it does explain the corporate high pressure tactics in attempting to sway your vote and the vote of representatives in Congress. The person with the most to loose is always the loudest. Do what you see fit, keep the working man in mind. I attempted to send this same info to my representatives in Congress; however when I tried to edit the pre fabricated corporate response the web site sent both emails automatically before I could change the wording to reflect what I stated above.

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-----Original Message-----

From: ivig
Sent: Thursday, April 22, 2004 3:05 PM
To: int01_list@mailmanager.net
Subject: FASB Action Alert-Stock Option Expensing

Dear Intel Voice In Government Member:

In Craig Barrett's earnings day webcast on April 14, he urged U.S. employees who agree with Intel's position on stock option expensing to express their opinions to their representatives in Congress. We know that nearly all of our IVIG members have done that and we are vry grateful for your efforts.

Today we ask you to engage on a second front--the U.S. Financial Accounting Standards Board (FASB). As you know, FASB is the unelected board of individuals that is moving to mandate expensing. By doing so, FASB will not only create a regime of inaccurate accounting, but also make it much more difficult for companies like Intel to sustain broad-based employee stock option plans.

That is why we are asking you to **write FASB today**. As part of the comment period on draft regulations mandating expensing, FASB is accepting all public comments **until June 30, 2004**. Contacting FASB is as easy as sending an e-mail to director@fasb.org Please use **File Reference No. 1102-100** as the e-mail subject line.

In order to aid you in sending this e-mail, we have provided a selection of bullets and talking points below. These are only provided as a reference. You are not required to use these word for word. **We hope that you craft a personalized Email based on the themes and key messages we have below.**

Before you begin, there is just one last AR. So that we may gauge employee opinions,

you may separately send us your Email (please do not cc your Email to FASB) at IVIG@intel.com . Or if you wish, just send us an Email advising in the subject line that you have expressed your views to FASB. In either case, this information is not shared within or outside of Intel.

Thanks once again for your continued support of Intel and our efforts in Washington DC!

The IVIG Team

Key Bullet Points:

By treating employee stock options as an accounting expense, it disregards three fundamental issues. First, employee options are not freely tradable. How do you value something that has no market? How do you put a price on something if it's not for sale? The answer is that you cannot. There is no accurate way to value these options without an open market.

Second, employee stock options are subject to lengthy vesting periods—typically four or five years. If the employee changes jobs before the options vest, they are forfeited.

Finally, employee stock options will be exercised only if the stock price rises above the strike price. How does one predict future stock prices with any degree of certainty? There are entire industries dedicated to such a practice, yet no one is able to predict with absolute certainty what a stock price will be over a given length of time.

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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