Len Tatore

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From: Marshall, Mary K [mary.k.marshall@intel.com]
Sent: Thursday, April 22, 2004 7:07 PM
To: Director - FASB
Cc: mkmarshallanp@msn.com
Subject: File Reference No. 1102-100

I am contacting you to convey feedback on this important issue facing me as an employed and voting US citizen.

Your proposal is unfair. It treats employee stock options as an accounting expense and it disregards 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.

Please stop this proposal immediately and focus on areas to strengthen our economy.

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