Letter of Comment No: /689

File Reference: 1102-100

## Len Tatore

From: Duval, Terri [terri.duval@intel.com]

Sent: Thursday, April 22, 2004 8:11 PM

To: Director - FASB

Subject: File Reference No. 1102-100

Dear Director.

I am writing today to ask you to please drop the bid to expense stock options. Although I can appreciate that you feel you are protecting employees by making stock options more difficult for companies to offer their top executives, what you will actually be doing is hurting people like me who do not make the big bucks that CEO's and other corporate officers make. Please do not judge all companies by the actions of a few.

Intel provides all eligible employees with stock options as it is considered part of our complete compensation package. However, of the stock options that I currently have, most are either underwater due to the current slump in stock prices or they are not vested and therefore unusable - and may never be worth anything if I decide to leave Intel sometime in the future. How will it be possible to expense options that may never be used? It will be an accounting nightmare and will force companies to drop the use of stock options as an incentive. In addition, the number of startups will be reduced because not many new companies can entice talented people without the possibility of future compensation from stock options - but how can they offer them if it will hurt the bottom line in the beginning?

I understand that those in the government and in companies that do not offer stock options may not be fully aware of why people (regular employees) like me do not want to see them expensed, but I can tell you that I gladly paid taxes on any options that I have exercised and I greatly appreciate my company's offering of stock options in addition to a fair wage. Please do not take away companies' rights to compensate and motivate their employees by using stock options.

Thank you for your help (I hope!) and time.

Best wishes.

Terri DuVal Folsom, CA