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To: Director - FASB
Subject: File Reference No. 1102-100

I am opposed to the expensing of stock options. As an Intel employee, formerly an employee in the public sector who had no options, these have made a very significant difference for me, my husband, and my two children. Our financial stability long-term is dependent in no small way on the flexibility in our financial portfolio provided by the options. If Intel is forced to expense these, there's a very good chance they elect simply to remove them from our compensation package entirely. A scary possibility for a family who is just recently enjoying being an "upper middle class" family, trying in a very confusing time to make choices that will keep us off the Social Security payroll when we reach 65+.

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. Hence, my fear that Intel will simply elect not to offer them any longer – less money in my pocket, less money I can spend on American goods to fuel our American economy (I'm big on Wal-Mart)...

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. The beauty of options is that it makes sure each and every American employee at Intel behaves as an owner with a VESTED interest in improving our financial performance so that MAYBE these options will be worth something. We invest in our own futures when we make sure Intel stays competitive. We invest in our own training, development, and ultimately in our families' futures when we have an option to buy, and it'll be worth something ONLY if we're profitable. What a great concept – threatened now by the fear of Intel having to expense these. So it begs the question: if Intel is required to expense the options, 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.

Sincerely hoping you've taken the time to read, listen, and consider before acting:

Sue Neal
Intel Manufacturing Supervisor - New Mexico Site (The Land of Enchantment)

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