Letter of Comment No: 5052 File Reference: 1102-100

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From: Sherri Allen@amat.com

Sent: Friday, June 18, 2004 5:13 PM

To: Director - FASB

Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs). The stock option and ESPP program at my company has provided financial security and opportunities for me, such as purchasing a home as a single person. These incentives provide benefits for employees such as continuing education, private schools and daycare for children, family vacations, and retirement security. The proposed changes would limit a companies ability to provide these benefits thus negatively impacting the employees. My company in particular offers the ESPP and stock options to employees at all levels in the company, not just Executives, and for non-exempt or lower paid workers this is a huge financial benefit.

This change could make US companies less competitive to the top workers as well as negatively impact the investment community across the US. Additionally, due to the ambiguity in predicting future value of stock, this change could create unrealistic or inaccurate financial reporting practices within corporations.

I appreciate your time and attention to this issue and strongly encourage you not to change the accounting treatment for stock options and ESPPs.

Best regards, Sherri Allen 1905 Kerr Avenue Austin, Texas 78704