Letter of Comment No: 4677 File Reference: 1102-100

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From: Tim Conroy@amat.com

Sent: Friday, June 18, 2004 11:50 AM

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).

I am a ten year employee of Applied Materials, Inc. and I feel obligated to detail why this possible changing of accounting for stock options for ESPP's is a bad idea for all stake holders.

- 1. I have been motivated by my companies Options program, and it is probably the second highest factor for my retention. During the last three years, in a huge downturn, even though my options were underwater, there was enough confidence in my companies future growth that I remained incentivised to stay to gain the benefit of future vested options.
- 2. Over the past years, I have been able to use some of my vested options for emergency funds, investment in home improvements, and other items that went directly into the overall economy. This is a good stimulus for the overall economy, and not one to overlook.
- 3. I have worked extremely hard to make my company more profitable, for my own benefit, as well as the other stockholders. I would not have such a high level of motivation without the impact of the granted options.

Finally, I have high confidence in my Companies Accounting practices and conduct. The Company does not embrace this proposed change, and feels it is not in the stockholders or publics interest, and is unnecessary. I agree and want this legislation or FASB change implemented. I also feel that FASB needs to complete a significant amount of additional work, given the corporate hostility of some of the Countries largest and best organizations.

Sincerely,

Tim Conroy