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From: Michael Fong@amat.com

Thursday, June 17, 2004 8:09 PM

To: Director - FASB

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

Letter of Comment No: 4537 File Reference: 1102-100

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs). Having worked for the Boeing Company and Applied Materials, I can say that stock options have had a profound impact in...

- tieing employee performance to shareholder return.
- · attract highly skilled workers from all over the world
- allowed Applied to remain a competitive employer in the global workplace.

If you look at Applied's demographics, we have one of the most diverse /international workforces in the world, represent one of the strongest HW development companies in the United States, and have one of the most motivated work forces in the world. Working in a "Union" shop without stock options really polarized management and the employees while stock options have encouraged ALL Applied employees to understand the total business environment and to do what they can to innovate and win the business.

Removing stock options compensation will be one of the key setbacks to the technology sector, which relies on innovation and an empowered work force to survive. I strongly urge you to consider maintiaining stock options and maintaining US leadership in the technology sector.

BR, Michael Fong