

ikon

From: Helene_Parella@amat.com
Sent: Thursday, June 17, 2004 5:58 PM
To: Director - FASB
Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

Letter of Comment No: 4501
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).

By forcing all companies to expense Stock Options and ESPP on their P&L is not only impacting the companies aloe but there are many significant impacts on the employees which hit our pockets directly. We employees have worked very hard in being awarded for our accomplishments above and beyond the call of duty with stock options. The ESPP is a choice that each employee can participate in. Both of these plans are great incentives for keeping employees as well as recruiting new employees.

I for one really count on utilizing these plans for my own personal needs throughout the year. For example, this past year I was able to do home improvement, and pay off some debt. I would not have been able to do either one of these without the ESPP and Stock Option Plans that my company provides and offers me. Being in the high tech industry and just now come out of longest downturn in history, no raises for 3 years which is a significant impact in Silicon Valley, but I was able to survive through the toughest times of the Valley due to the ESPP and Stock Option plans. From a company perspective, it is impossible to predict the future value of stock options, particularly since they are not tradable or transferable and have varied schedules. By trying to guess the value to classify on the P&L as "guesstimate" it will not improve clarity or accuracy for the investors. These numbers should and properly still belong in their current location - "in the footnotes"

It is believed that the FASB assumes that the stock options are employee compensation, and that the stockholders have no control. This is false almost all cases the NYSE and NASDAQ require companies receive approval of their stockholders before they issue any stock options to their employees.

As we move forward in this very increasingly competitive world, the US should nit decrease the utility of these incentives while our competitors, particularly in China, Taiwan are increasing their use of stock and stock options.

I strongly recommend that the FASB think about enforcing this new accounting method and expense on all companies. We the employees will suffer and be impacted more than any else. I myself have been with my company for 10 years and the incentive of being here as long as I have been is due to the stock option and ESPP plans that are offered by my company. It is a financial blessing.

6/18/2004