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Letter of Comment No: 4479

File Reference: 1102-100

From: Christopher_Susie@amat.com

Sent: Thursday, June 17, 2004 4:17 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).

Stock options are the only way that some of us can survive in the California because of housing prices, car prices and gas prices. I have had to exercise my option to purchase my house in California, buy two cars and when times are tight, I exercise just to have money to pay standard bills and survive.

It is *impossible* to predict the future value of employee stock options, particularly since they are not tradable or transferable and have varied vesting schedules. With that being said, I personally have many shares that are "underwater" that I will not have any benefit from.

Stock options have helped Applied Materials attract and retain the highly-skilled workers necessary in our globally competitive industry. Stock options are what keep a lot of us with the company because they will hopefully be a benefit to us in the future. By having vesting dates in the future, it makes us really think about staying or leaving the company.

As we move forward in an increasingly competitive world, the United States should not decrease the utility of these incentives while our technological competitors, particularly in China and Taiwan, are increasing their use of stock and stock options. We believe stock options have contributed to unprecedented levels of innovation. As everyone is discussing today, outsourcing jobs outside the US is becoming very popular. If these foreign countries are going to start offering options and the US is going to tax company, which would mean we would stop getting options, I would be one to look at moving to a foreign country for these benefits.

I personally feel that we are already taxed too much and when we exercise our options, the government takes 42% of those also. If you start taxing companies on options, we will stop receiving them which mean you will lose again because you won't get the 42% tax. If you are looking at ways to increase federal reserves, why don't you tax the Senators and Congress persons.

Christopher Susie

6/18/2004