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Letter of Comment No: 4435  
File Reference: 1102-100

**From:** Vester\_K\_Sullivan@amat.com  
**Sent:** Thursday, June 17, 2004 4:53 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). I have personally used these stock options with being able to purchase my home in the past as well as used them during our recent down turn in order to just be able to pay some of the bills that I had because of not being paid during shut down periods. For myself, these stock options are one of the reasons that I am maintaining my current employment. I strongly do not feel that it is correct to require someone to pay for these at a price that may not be the same as when an employee such as myself goes to cash these in. I currently have some of these options that are underwater and therefore I don't know how this would affect me but feel that I would be losing even more money as well as the company losing money on having to guess at a price when they were given to me. I am on the low end of the totem pole in my current group and these options are one of the only incentives that make me feel that my job is valued just as much as an executive. We have not been given much hope over the last couple of years and the awarding of stock options have been one of those programs that have made me feel that Applied Materials cares about me as an individual. Even though the stocks that I have received do not mature until 2007 at least there is that glimmer that helps keep me going.

Vester Sullivan