

ikon**Letter of Comment No:** 4626
File Reference: 1102-100

From: Mimi_Pham@amat.com
Sent: Monday, June 21, 2004 6:36 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).

Dear Director,

I assume that you have received quite a few letters similar to my own, but I want to tell you a bit of my story. I was born in Da Nang, Vietnam. When I was 19 (11 years ago) I followed my brother and other family members to North America – first to Canada, and then to the United States. I have only the equivalent of an associate's degree. Applied Materials has given me the opportunity to move into the American middle class without having ever taken out a business loan or risking my or my family's savings. My stock options will never make me independently wealthy, but they give me real ownership in what I do. I do not have manufacture motivation myself to create a return for some distant stockholder for I am now a stockholder myself.

Please do not endanger the stock options of hard-working Americans like myself by making them a misleading "expense". CEOs, CFOs, and other executives will always be well compensated by the most attractive incentives available in the market, but the creative people that make American technology companies great are who the proposal to "expense" stock options will hurt the most. Unlike CEO's, and entrepreneurs the middle-level employees depend on stock options if we are going to get any equity stake of in the American economy. We are the very definition of the middle class. Many of us could do well on our own running "mom and pop" or other businesses but stock options give us a piece of the action to work hard towards. Losing these incentives would destroy a large part of the financial motivation to stick with our companies and do everything we can to make them successful. The American economy is not great because of regulations and bureaucrats; it is great because of the hard work and skill of the American employees.

I ask you to consider the impact of expensing stock options. It may seem like an accounting detail, but it has real impact on the lives of ordinary Americans. Since stockholders already receive information about (and even approve) stock options why create a fictitious expense category in the name of "disclosure"? Do not remove incentives for hard, creative work merely to appear to be taking action. The American economy is recovering on its own.

Sincerely,

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6/23/2004