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Letter of Comment No: 4570
File Reference: 1102-100

From: Clarence_James@amat.com

Sent: Thursday, June 17, 2004 3:15 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).

By changing the way ESPPs are counted against corporations, you will essentially be removing a program that increases employee benefits. In many cases ESPPs and Stock Option programs are not guaranteed compensation. Due to the current market, many of the stock options I retain are actually below the current price of my companies stock. If you were to have levied a charge against the corporation when they granted them, you would have essentially been robbing investors since those options may never be transacted. Right now, both programs are an incentive for employees to help their company further itself in it's market. By removing that incentive, many companies will not be able to hold onto top employees without increasing base salaries. As we're already facing a crisis with the outsourcing of jobs to foreign countries, taking this action would be a step in the wrong direction.

On a personal note, the stock options my company granted to me when I first started allowed me to reduce the burden of debt my family was under and eventually helped us to purchase our current home. I'm sure you can find many cases like my own where these types of programs assisted families with getting a leg up. This can only help the overall economy.

6/18/2004