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Letter of Comment No: 4692 File Reference: 1102-100

From: TAMMY\_PALMER@amat.com Sent: Friday, June 18, 2004 9:04 AM

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 would like to share with you my personal experience and value that I have received by being able to have these stock options and employee stock purchase plan. In my household we are a single family income. By the Grace of GOD we are able to live on my income with my husband staying at home. Most of the reason is that we have the stock options and employee stock purchase plan stock to help us when we need to do out of the ordinary things that just my income alone would not allow us to. Here are 4 examples:

In September 2000, my mother was diagnosed with Agressive Breast Cancer. Since she lived in CA, I wanted to take the family to CA for Thanksgiving and spend two weeks out there. We would not have been able to do that if we did not have the stock options. We sold stock to pay for the trip and I am so glad that we did.

In May 2001 my mother passed away from Breast Cancer. I come from a family of 7 and there are several siblings that do not have the benefits of stock options, employee stock purchase plans to help out in this stiuation. Becasue my family does, I was able to sell stock and help my sister and her family get from Florida to CA for the funeral as well as my husband. If we did not have these options avaible my sister and her family would not have been able to get to the funeral and how sad that would have been.

In March 2002, my husband and I purchased our first house. Until then we were renting. Because we have the stock options we were able to sell stock and put a great down payment on our house. By doing this it allowed us to reduce our mortgage payments to such that we can afford, since we are on a single family income.

Lastly in November 2003, my husband's car, 1988, was just costing us more money to fix. So we decided it was time to invest in a new car. Well we sold stock to put a great down payment on a new car, reduce our monthly payments to something we can afford, again since we only have one income.

These are just my examples. I truly believe that GOD has blessed me working at Applied Materials to have these benefits and his way of opening the door for my family to have these great experiences.

Additionally I believe that Stock Options and Employee Stock Purchase Plans are incentives for competiveness in recuriting. Base salary is one thing but perks such as these is an advantage edge to help in this every increasing competive environment. Lastly I would like to say that we can never perdict what the market is going to do and what the value of the stock will be at any given time. Some examples is who would have perdicted that 9/11 would have happened and effected the economy they way that it did. I hope this helps in not moving forward with the change on the table for stock options.