

ikon

From: Ken_Pavelo@amat.com
Sent: Thursday, June 17, 2004 3:28 PM
To: Director - FASB
Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

Letter of Comment No: 4565
File Reference: 1102-100

Dear Sir,

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs).

As a child in school we went through the exercise of picking stocks and tracking their performance with pretend money. The exercise helped me understand that stocks move up and down and that you have to chose wisely on which to buy and which to sell. Since that excercise in school however I never invested in the stock market. It was always there to do but I was either too afraid to try or didn't feel that I could benefit from the buying and selling of stocks.

The ESPP program at my current employer has finally allowed me a way to get involved in the stock market. With a small percentage of my pay going to the company stock purchase I have been able to finally get some financial freedom. Without this program I can't say that I would have been save any of that money. With a family of six, money always seems to go somewhere else besides savings. I not only save money this way but also build on it by knowing where the money is invested and how the company is doing.

The stock options the company has offered to me have been nice as an incentive, but have not made any money yet as the market still seems to be in a slow recovery. I can't see how using this information in computing a companies financial standing is in anyway a real indication of debt or loss. It is all hypothetical and cannot be counted on as real.

Losing these two fundamental structures of my employment would seriously effect not only myself, but also my family.

Thank you for your time

Regards,

Ken Pavelo

6/18/2004