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Letter of Comment No: 4925 File Reference: 1102-100

From: John_Grimshaw@amat.com

Sent: Friday, June 18, 2004 9:24 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 am a field Service Manager in a highly competitive market place. I have been working within this role for >5yrs and with my current employer for >11yrs. I am basically an individual contributor, non-executive status. I had started receiving stock options in 1997 as part of an overall company incentive (all employees received exactly the same options) Since that time I have received a fair amount of options on an ongoing focal and promotional basis. To this date, I have yet to exercise any them, my first shares will need to be exercised later this year.

Over the years I have often wondered how these will effect me, my family, my financial success, and my job. Since I have yet to exercise any of them, let me tell you what I have envisioned. First and foremost, I think they have helped me stay the course with my company. Our business has gone through a very rocky road and I cannot honestly say I would still be here without an incentive such as the options. My plans have been focused on helping support my parents who have inadequately planned for retirement and supporting continued education for my 3 children. At this point in time, I feel as though I have been waiting a very long time (patiently) for my ship to come in. The changes you are proposing will impact me directly. I do not see how you can expect any public company to inherit such an accounting rule without severe impact that will immediately cause a reaction. This reaction will be one of self preservation and the employees will be the first to be impacted.

As I mentioned, I am a Manager of field operations. This is highly competitive marketplace and our engineers work very hard in a very stressful environment. Maintaining morale and minimizing attrition is a constant challenge. I view stock options for the individual contributor as the single best retention tool I have ever seen. If the stock option plans or employee stock purchase plans were taken out of my compensation toolkit, I will have an extraordinary challenge to sustain my business operations. This will hurt productivity, output, my customer, and ultimately my company.

I know you're faced with a challenge to make sense of these stock plans. Please do not make a rash decision that will have a catastrophic effect on the US economy. As an example, just think in 1999/2000 how many people were supporting the ridiculous thought of allowing social security to invest in the stock market?

This change will hurt the individual contributors, not just executives.

Please do not make this change.

Sincerely, John Grimshaw