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Letter of Comment No: 4919
File Reference: 1102-100

From: Paul_Pulley@amat.com
Sent: Friday, June 18, 2004 7:03 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 accounting of these plans you will force companies such as Applied Materials to offer options to only our executive management. The inclusionary nature of the current program ensures all employees share in the success of the company. By nature, the semiconductor equipment industry is very volatile and high stress. Through sharing the rewards for the company's growth, Applied Materials is able to attract the type of high energy, entrepenurial employee that is critical for our success and our ability to compete in the global market. Further, because of that volitality, I do not feel that there can be any real estimate as to the future value of these options that would be of any benefit to investors. I have been at Applied for over 11 years and during that time I have had stock options or ESPP shares split several times, and I have also had shares remain underwater for a considerable period. Throughout though, I have felt a stronger tie to the company since its success and mine were closely tied together. That is a large reason that I have remained a faithful employee through the ups and the downs.

Thanks for encouraging input on this topic.

Best Regards
Paul Pulley
Senior Manager
Applied Materials