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From: Matt Stamm@amat.com

Sent: Friday, June 18, 2004 10:55 AM

To: Director - FASB

Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

Letter of Comment No: 4685 File Reference: 1102-100

Hello.

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

Corporate Accouting is supposed to be a snapshot of a corporations performance and conditions at a particular date. Each quarter these pictures are assembled and over time, they tell a story about a corporation..

Expessing stock options at the time of issueance assumes there is some cash outlay or change to a balance sheet or expense when in reality there is not. Expensing stock options also assume that with some degree of certainty you can predict the future value of a stock option. If that is trully your belief, I would be willing to sell you all of my shares and options that have declined 50-75 percent in the past

3 year. I will gladly take the 5% predictive accpreciation that has been suggested.

Any guessimate will be wrong and would require a restatement or an adjustment to current quarterly results which would do nothing but distort the real financial condition of a corporation.

In turn making earnings inaccurate and cause more restatements which will in turn create mor uncertainty and less confidence in the nuimbers. (Sounds circuitous doesn't it, just tike these new suggested rules.)

I would ask you to perfrom due diligence and step back over the past 20 years and apply your suggested formulas for expensing and predicted appreciation and see if they would have fit the curve for any corporation. This would show the invalidity of your predictive assumptions.

As an American, I look forward to continued employment in the United States of America. With these new suggested rules which will make American companies spend more money to be in compliance and will do nothing to protect investors, I hope I do not have to move to China for my next job.

Please do not adopt these new rules.

Sincerely,

Matt Stamm

P.S. May I suggest that other solutions be investigated. Perhaps limits on stock options as a percent of outstanding shares or limits to corporate exectives in order to prevent excess. Do not harm the future of hard working lower level employees